

**CONSOLIDATED PLAN
DRAFT
ANNUAL PERFORMANCE AND
EVALUATION REPORT
(CAPER)**

COMMONWEALTH OF VIRGINIA

**Federal Program Years 2003-2007
State Fiscal Years 2004-2008
Reporting Period July 1, 2005 to June 30, 2006**

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**Department of Housing and
Community Development**

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I. Consolidated Plan Narrative

A. Introduction

The mission of the Department of Housing and Community Development (DHCD) is to work in partnership “to make Virginia’s communities safe, affordable, and prosperous places in which to live, work, and do business.” The four Community Planning and Development (CPD) Programs included within the Consolidated Plan are integral components of broader efforts by the State through DHCD and other agencies to support the development or revitalization of communities throughout the Commonwealth. During the 2005 federal program year (State FY 2006), and as outlined in the Consolidated Plan and 2005 Action Plan, Virginia pursued three broad priorities for allocating available housing resources and five priorities for allocating community development resources in support of housing and nonhousing activities. DHCD developed strategies for each priority area and implemented appropriate actions toward their achievement.

The housing priority areas included Increasing the availability and affordability of safe, decent, and accessible housing to low and very low-income persons; increasing the ability of communities to implement creative responses to community-based needs; and supporting policy development and research related to significant economic development, community development, and housing issues. Community development priorities stress assistance to locally identified areas of need addressing neighborhoods, housing resources, economic development opportunities, community facilities, and community service facilities. The Department’s strategies and actions offered direct assistance to citizens, localities, and other organizations. They also supported the State’s housing delivery system by addressing the current and future needs of housing providers, consumers, and communities.

In State FY 2006 (incorporating HUD 2005 program year funding), the Department continued to work toward meeting housing needs across the entire Commonwealth--especially those associated with lower-income residents and citizens with special housing needs. DHCD focused on coordinating housing resources, strengthening the organizational and service delivery capacity of housing providers, increasing the coordination between housing and community development activities, and seeking more innovative ways to leverage additional resources for housing and community development needs.

During the most recent reporting period, DHCD administered funds received from four Department of Housing and Urban Development (HUD) programs subject to the guidance of Virginia’s Consolidated Plan while initiating activities associated with the 2005 Lead Hazard Control Grant of \$3 million.

Program	2005 Funding
Community Development Block Grants (CDBG)	\$21,693,341
HOME Investment Partnerships (HOME) + ADDI	\$16,398,717
Emergency Shelter Grants (ESG)	\$ 1,490,205
Housing for Persons with AIDS (HOPWA)	\$ 612,000

DHCD also administered other federal funds, including Appalachian Regional Commission (ARC) community economic development programs; Department of Energy (DOE) weatherization/energy assistance monies; and 15 percent of Department of Health and Human Services (HHS) Low Income Home Energy Assistance Program (LIHEAP) funds made available through the Virginia Department of Social Services. State appropriations provided a critical source of flexible funding to complement available federal resources. State funds generally focused on specific housing and community needs, including the prevention of homelessness, the preservation and rehabilitation of existing owner and renter-occupied residential property, new opportunities for home ownership, and the provision of drinking water.

Virginia uses the Integrated Disbursement and Information System (IDIS) to perform drawdowns and enter program information for all CPD programs. This document combines elements of the reports required under the former Comprehensive Housing Affordability Strategy (CHAS) with additional narrative elements and tables intended for the Consolidated Plan Annual Performance Report (CAPER) supplementing reports generated through IDIS. Although HUD has not issued binding guidance to states comparable to that given entitlement grantees in the February 18, 1998 memorandum, this document reflects that guidance while respecting the distinctions between *state* versus *entitlement* administered programs subject to the Consolidated Plan.¹ It documents the Department's efforts in State Fiscal Year 2006 (using federal Program Year 2005 funds)—the second year covered by the current Consolidated Plan—with respect to the major HUD-funded programs and other related State, federal and local housing and community development activities. IDIS-generated information serves as a basis for much of this year's report.² Thus, the CAPER includes and also supplements information that may also be available through IDIS reports as well as other sources.

B. Resources Available to the State

¹ The HUD guidance issued on July 29, 2004, primarily addressed Consolidated Plan preparation for FY 2005 but not CAPER reporting requirements. It did include links and references to CAPER submission information.

² For example, data on disbursements, the median income of program beneficiaries, and racial/ethnic categories was taken directly from the PR23. Copies of the reports identified in the 1998 memorandum are available on request.

This section of the Annual Performance Report describes housing funds made available during state FY 2005. It compares the actual resources with estimated resources initially projected in the Commonwealth's Action Plan. Resources are identified by program and by the agency responsible for program administration. DHCD administers its HOME Investment Partnerships Program allocation by incorporating program funds within broader homeownership and rental housing activities. Wherever relevant the use of HOME funds is distinguished from State funds in the discussions that follow.

Department of Housing and Community Development

The Department of Housing and Community Development (DHCD) administered the following programs during the reporting period.

- **Shelter Support Grant (SSG) Program** - The Department distributed **\$1,709,120** in State general funds to homeless shelter facilities statewide through an award system based on the proportion of the number of beds that each eligible facility has available to serve the homeless. All homeless emergency shelters and transitional housing facilities are eligible, provided they have a valid certificate of occupancy and they agree to conform to program requirements.
- **Federal Shelter Grant (FSG) Program** - The Department provided \$1,415,695 in operating funds to emergency shelters and transitional housing facilities through the **FSG Program**. Homeless facilities receiving Emergency Shelter Grant money from an entitlement community, however, are not eligible to participate in the per bed awards. The source of these funds is the federal Emergency Shelter Grant Program.
- **Child Services Coordinator Grant (CSCG) Program** - The Department made \$500,000 in FY 2006 State general fund monies and \$665,465 in TANF funds available under the **CSCG** program. This program provides grants to providers of emergency shelter for families with children for salary support for child services coordinators. These funds are allocated for full-time or part-time positions, according to the number of children sheltered during the previous year.
- **Child Care For Homeless Children Program (CCHCP)** - The Department provided \$300,000 in FY 2006 through the federally funded Child Care and Development Block Grant (CCDBG). This program provides grants to emergency shelters and transitional housing programs to assist homeless parents with a broader range of childcare options for their children; and to provide homeless families with financial resources to aid in the transition to self-sufficiency.
- **Homeless Intervention Program (HIP)** - The Department provided \$5,130,000 in State General Fund monies to 27 providers through its **HIP**

Program for FY 2004. HIP provides temporary rental, mortgage, and security deposit assistance, plus housing counseling to households at-risk of becoming homeless. HIP funds are distributed to nonprofit agencies and governmental entities, including cities, towns, counties, and redevelopment and housing authorities through a competitive process. The FY 2006 awards benefited 1,419 households that received rental or mortgage assistance. The awards benefited 3,859 people.

- **Affordable Housing Production and Preservation Program (AHPP)** - The Department committed \$4.25 million in HOME Investment Partnership Funds for the Affordable Housing Production and Preservation Program (AHPP) for FY 2006. The AHPP program is an open-submission application process that reserves 15 % of HOME funding for Community Housing Development Organizations (CHDO). The AHPP program provides gap financing using flexible, below-market-rate loans to support projects for the development and preservation of affordable housing for low-income Virginians. The expectation is to stretch these funds as far as possible to achieve the greatest number of units possible for the dollars committed. In meeting this goal, AHPP program funds are used with other types of financing. These include Low-Income Housing Tax Credits, bond financing, and other public and private funds. Additionally, these funds fill the gap in permanent financing to make a project feasible for the creation and preservation of affordable housing for lower-income households.
- **CHDO Operating Assistance Program** – Certified CHDOs (currently 26) those eligible Virginia Department of Housing and Community Development (DHCD) certification may apply for CHDO Operating Assistance Funds. The CHDO Operating Assistance Program is directly linked to an organization's development of a singular affordable housing project. These funds provide operating support to secure the technical assistance and training necessary to obtain CHDO Set-Aside funds for an affordable housing project and to provide general operating support during the development of affordable housing projects funded with CHDO Set-Aside funds. This funding support program assists organizations that demonstrate a need for operating support. This program is open year round until funds are depleted. During state fiscal year 2006, approximately \$400,000 was available. Assistance for operating expenses in each fiscal year may not exceed \$50,000, or 50 percent of the CHDO's total annual operating expenses for that year. At the end of the state's fiscal year \$300,000 of the total \$400,000 had been committed via written agreements to organizations with requests for increases pending.
- **Indoor Plumbing Rehabilitation (IPR) Program** - The Department allocated \$7.88 million in FY 2006 for the **IPR Program**, which assists low- and moderate-income homeowners whose houses lack complete indoor plumbing. The Program continues to require a minimum of 50% repayment by the qualified families. Recaptured funds revolve locally to provide for additional revenue to resolve rehabilitation needs. The Program received a

\$2.88 million general fund appropriation for State FY 2006 and received a \$5,000,000 allocation from the 2005 federal HOME funds.

The IPR Program improves substandard housing through general rehabilitation by installing indoor plumbing in units lacking complete facilities (or those where existing water supply or waste disposal systems are failing). Completed houses must comply with DHCD's Field Guide for Section 8 Housing Quality Standards (HQS). Local organizations apply to become sub recipients under the program. Once local governments certify them, they receive initial allocations and may apply for additional incentive funds for performance, home ownership, and matching funds. The initial funding allocation is by formula, with subsequent allocations made on a case-by-case basis by DHCD.

- **Homeownership** - In state FY 2006, the Department made available \$3,415,490, including \$417,444 in program income, through home ownership programs. By the end of the reporting period, all of the HOME funding had been committed, with 349 first-time homebuyers assisted through June 30, 2006.
- **Check Off for Housing Program** - Receipts from this program continue to be used to make repairs and improvements to emergency shelters and the homes of the elderly or people with disabilities.
- **Emergency Home Repair Program** - The Department made \$352,725 in FY 2005 state general fund monies available under the **EHR Program**. The program provides grants of no more than \$2,500 per household for emergency repairs, accessibility improvements, and energy improvements that must be matched by local resources. These funds are allocated to nonprofit and governmental organizations administering the program at the local level, and were used to assist 293 units.
- **Accessibility Rehabilitation Program** - In FY 2006, DHCD made \$41,994.06 in Tax Check-Off funds available under the Accessibility Rehabilitation Program, a component of the Emergency Home Repair Program. The program provides grants up to \$2,500 per household for accessibility modifications and minor rehabilitation for special populations. Funds are provided on a first come first served basis to participating EHRP local administrators. Thirty-five (35) low-income households received assistance.
- **Weatherization Assistance Program (WAP)** - The Department made \$4,751,384 in federal Department of Energy funds available in FY 2006 under the **Weatherization Assistance Program (WAP)**. The Department of Health and Human Services' **Low Income Home Energy Assistance Program (LIHEAP)** provided \$9,099,703 in additional support through the Virginia Department of Social Services. Altogether, 1,382 units received weatherization services. The program provides grants to low-income households for energy-related improvements. Approved local administrators

provide program funds to the eligible households. Most administrators currently have waiting lists for weatherization services. The state made available \$1,791,019 in additional general funds. These were used to complete an additional 503 units.

- **Virginia Lead Hazard Control Program** – The Department completed all the terms and conditions of this grant in July 2005. The total available grant amount was \$2,160,000. All funds were expended with the exception of a remaining balance of \$197,213. The program reduces lead hazards in homes of low-income families occupied by or likely to be occupied by children 6 years of age or younger. Grant funds target localities with high incidences of children with elevated blood lead levels. DHCD submitted its final report to HUD in October 2005.
- **Community Development Block Grant Program (CDBG)** - The Department made \$11,886,428 in new awards, letters of intent, and multi-year funding available in FY 2006 for projects involving the rehabilitation, reconstruction or creation of 405 housing units under the CDBG program (\$4,391,371 from straight housing project awards and the balance from Comprehensive Community Development or other neighborhood improvement projects). These funds are allocated primarily to local governments administering housing rehabilitation programs in their communities. Funds are awarded competitively according to established program design criteria.
- **Appalachian Regional Commission Program (ARC)** - **Appalachian Regional Commission Program (ARC)** - The Department administered \$1,637,000 in Appalachian Regional Commission (ARC) Program Funds for area development projects in state FY 2006. Water and sewer projects accounted for \$700,000 of these awards. Local cultural and economic development and health care projects received the balance of ARC Area Development funds. The State awarded an additional \$78,137 in ARC Asset-Based Development Initiative funds in FY 2006 and \$10,000 in ARC Telecommunications funds.
- **CHDO Predevelopment** - In FY 2004, the Department revised procedures for accessing CHDO Predevelopment Funds to support predevelopment costs associated with specific housing projects proposed by nonprofit housing providers. Predevelopment funds can be provided in advance as part of the permanent loan for pre-site control, site control, and pre-construction assistance for certified CHDOs developing affordable housing projects. Under the revised procedures, CHDOs must document project readiness to qualify for Predevelopment Loan Funds and have a commitment for a permanent AHPP loan.
- **Commonwealth Priority Housing Fund** - During 2003-2005, the Priority Housing Fund used residual proceeds from the sale of the Housing Partnership Fund to provide a source of funding for housing targeting areas of particular need—including seniors and persons with disabilities. The 2005

legislative session adopted budget language creating a community development financial institution or CDFI, which will apply the remaining resources of the Priority Housing Fund and other sources as capital for targeted lending and investment for both economic development and housing within distressed communities and populations.

The Virginia Housing Development Authority

(Program and Production Summary for State FY 2006)

In FY06, VHDA assisted with financing a total 12,066 housing units/loans using over \$1.4 billion in mortgage funds and subsidies. In addition, VHDA funded more than 48 grants with \$60,000 to enable people with disabilities to modify their residence and make it more accessible.

Following is a description of these programs.

VHDA Multifamily Rental Loan Programs

VHDA issued a commitment authorization of funds on 76 developments with 4,374 units using \$238 million in various VHDA mortgage funds or subsidies. Due to the cost and complexity of multifamily housing, most of these developments use a combination of lower cost funds to make the rents more affordable. Following is a breakdown of the assistance provided or administered by VHDA.

- 1. Low Income Housing Tax Credit Developments:** Twenty-eight multifamily developments or 2,563 units were issued a commitment with \$126.5 million Low Income Housing Tax Credits attached.
- 2. Bond-Funded Developments:** VHDA awards these funds on a first-come, first-served basis to individual nonprofit and for-profit applicants applying directly to the Authority. Applicants must meet established underwriting criteria. In FY06, 21 developments with 1,847 units used \$81.6 million tax-exempt and taxable bond funds.
- 3. Multifamily Virginia Housing Fund Programs:** VHDA is phasing out the Multifamily Virginia Housing Fund Program, which did not receive an additional allocation in FY06. However, \$2.9 million of existing funds supported seven projects with 232 units.
- 4. Multifamily REACH Programs:** The Multifamily REACH was established in FY06 to provide subsidy to developments that target people with disabilities, lower income households, and rental housing in high cost markets and revitalization areas that require lower cost funds. In FY06, over \$9 million in REACH was allocated to support \$60 million in MF programs or an anticipated 2,890 units. Of the amount allocated, VHDA has issued commitments for \$26.6 million dollars to finance 38 projects with 1,237 units.

VHDA Homeownership Loan Programs

VHDA closed 7,692 single-family loans using nearly \$1.2 billion in mortgage funds or subsidies for the purpose of purchasing or renovating homes. The following programs provided this single-family assistance:

- 1. Single Family Mortgage Revenue Bond (Tax Exempt) Programs:** VHDA closed a total of \$800 million in tax-exempt bond funds to finance home purchase loans for 5,079 low and moderate-income first-time homebuyers under VHDA's first-come, first-served bond program. Funds are awarded to individual homebuyers applying through private banks and mortgage companies. Buyers must meet established VHDA and other program underwriting criteria. The loan types available through this program are FHA, VA, Rural Development, and Conventional, insured and uninsured.
- 2. Single Family Taxable Bond Programs:** VHDA closed a total of \$284 million in taxable bond funds to finance home purchase loans for 1,600 homebuyers under VHDA's Flex Programs. These programs are uninsured and offer a slightly higher interest rate loan to homebuyers with incomes or sales prices that exceed the Mortgage Revenue Bond limits.
- 3. REACH Programs:** In FY 2006, VHDA ended the Virginia Housing Fund and established REACH to support homebuyers needing lower cost financing than the bond-funded programs would allow. These programs offer assistance to lower income households, people with disabilities, and homebuyers in high cost markets and revitalization areas. VHDA allocated \$6.4 million in REACH to support nearly \$107 million in targeted programs enabling an anticipated 1,506 home purchases. In FY06, 1,013 REACH loans had closed.

The Virginia Housing Development Authority (VHDA) also administers the following programs:

Virginia Rent Reduction Tax Credit Program – This program provides credits to landlords who reduce the rent on units made available to eligible special needs tenants. In FY 2006, VHDA did not reserve additional state tax credits through the Virginia Rent Reduction Program. During CY 2005, participating landlords were eligible to claim tax credits totaling \$21,289 for rent reductions on 31 units for the 2005 tax year.

Housing Choice Voucher Program - VHDA allocates Housing Choice Voucher subsidies to cities and counties across the State, contracting with local governments, community action agencies, local departments of social services, and other entities to provide local administration of the Housing Choice Voucher program. In FY 2006, VHDA administered housing choice voucher subsidies to 9,194 households totaling \$47.7 million dollars. Forty-five agencies participated

in the program.

Low Income Housing Tax Credit Program - Allocation of Tax Credits: Low Income Housing Tax Credits (LIHTC) are allocated in a single annual competitive cycle. For calendar year 2005, \$15.3 million of credits were available; this represented \$1.85 of credits per capita plus returned credits from previous years' allocations and credits received from the national bonus pool (\$176,254). Project developers submitted applications that were ranked according to scoring criteria outlined in the Qualified Allocation Plan (QAP). Requests have recently exceeded the available credits by a ratio of two to one. Virginia's QAP gives preference to projects with the following characteristics. They must serve lower income households, provide long-term rental housing or conversion to homeownership at the end of the minimum compliance period, use the tax credits and other scarce resources efficiently, and document local support.

Over 22% of the credits are set aside for projects sponsored by qualified nonprofit organizations and local housing authorities.

Projects financed with tax-exempt bonds qualify for tax credits separately and do not need to compete for credits under VHDA's Qualified Allocation Plan discussed above. In both cases, VHDA evaluates the projects and limits the credit award to that amount necessary for financial feasibility.

Production Relative to Tax Credits for Fiscal Year FY 2006: For the CY 2005 competitive cycle (CY 2005 credits reserved in July 2006), 64 applications were received requesting \$23.7 million in tax credits. VHDA reserved \$15.3 million to 39 projects. These projects provided 1,129 newly constructed units and 1,752 rehabilitated units.

The unit mix for the projects receiving allocations of tax credits included 50 percent efficiency and one-bedroom units, 38 percent two-bedroom units, and 12 percent units with three or more bedrooms. All units were restricted to occupancy by households at 60% or below the Area Median Gross Income (AMGI), 65 percent were further restricted to those earning less than 50% of the AMGI and 3 percent were further restricted to those earning less than 40% of the AMGI. More than 45 percent of the units will restrict occupancy to elderly residents. HUD identified Qualified Census Tracts will contain 27 percent of the units. Some projects combine the tax credits with other federal resources including: Project-Based Section 8 Certificates, historic tax credits, RHS Section 515 funds, and HOME funds.

In addition, 14 other projects using tax-exempt bond financing received non-competitive tax credits. These developments provided 2,672 new and reconstructed units.

**Federal Program Year 2005/State FY 2006 Housing Resources Summary:
Source, Administering Agency, and Actual versus Anticipated Funding**

Administering Agency	Program Name and Fund Source	Anticipated FY 2005 Funding	Available FY 2005 Funding
Federal Funds			
DHCD	2005 HOME + ADDI	\$16,398,717	\$16,398,717
DHCD	Emergency Shelter Grants (ESG)	\$1,490,205	\$1,490,205
DHCD	Department of Energy Weatherization Assistance	\$3,961,656	\$4,751,384
DHCD	HOPWA	\$612,000	\$612,000
DSS/DHCD	HHS Low Income Energy Assistance (Weatherization)	\$5,162,478	\$8,862,632
DHCD	Lead-Based Paint Hazard Reduction*	0	0
DSS/DHCD	TANF Homeless Families Program Support	\$4,910,128	\$3,101,411
DHCD	Community Development Block Grants (CDBG)*	\$21,693,321	\$21,693,321
DHCD	Appalachian Regional Commission (ARC)	\$3,500,000	\$1,637,000
	Subtotal	\$57,730,502	\$58,546,670
State Funds			
DHCD	Commonwealth Priority Housing Fund	\$2,479,000	\$2,479,000
DHCD	Homeless Intervention Program	\$4,500,000	\$4,500,000
DHCD	Shelter Support Grant Program	\$2,965,220	\$1,709,120
DHCD	Indoor Plumbing Rehabilitation	\$2,880,000	\$2,880,000
DHCD	Emergency Home Repair	\$352,725	\$352,725
DHCD	Child Services Coordinator Grant Program	\$500,000	\$500,000
DHCD	Tax Check-Off for Homeless, Elderly and Disabled housing	\$100,000	\$50,000
	Subtotal	\$13,776,945	\$12,470,845
	Total Funds	\$71,507,447	\$71,017,515

* Includes funds available for eligible housing and nonhousing activities.

C. Investment of Available Resources

This section discusses the State's use of available resources described in the preceding section to address the housing priorities identified in the 2005 Action Plan. The report identifies activities undertaken, programs used, the funds invested (if any), distribution methods, and their status. Additional material discusses leveraging and matching issues.

The primary targets of the State's housing programs include:

1. Eligible CHDO activities;
2. Homeownership (regional allocations in an open submission application process);
3. Affordable Housing Preservation Program (AHPP) (incorporates the CHDO set-aside and is allocated in an open submission application process);
4. Indoor Plumbing Rehabilitation Program (IPR);
5. Supportive Housing Programs or projects (distributed statewide to applicants receiving a HUD Supportive Housing Grant); and
6. Expansion of Housing Options for the Homeless

The following three broad priorities govern the use of the State's housing funds, addressing the affordable housing and homeless needs, including those for persons with disabilities as well as other special needs, identified in the Consolidated Plan:

- Increasing the availability and affordability of safe, decent, and accessible housing to low and very low-income persons;
- Increasing the ability of communities to implement creative responses to community-based needs; and
- Supporting policy development and research related to significant economic development, community development, and housing issues.

PRIORITY:

INCREASE THE AVAILABILITY AND AFFORDABILITY OF SAFE, DECENT, AND ACCESSIBLE HOUSING TO LOW AND VERY LOW-INCOME PERSONS.

Objective 1: Support homeownership opportunities to a minimum of 400 low and very low-income persons annually.

Strategy 1: Increase affordability of home ownership through down payment and closing cost assistance programs.

Using the various opportunities offered with the Department's partnering agency, VHDA, lower-income first-time homebuyers were assisted via below-market-rate loans which provided assistance for gap financing (down payment and closing cost assistance through deferred or forgivable loans). Additionally, through partnerships opportunities for the requirement of home ownership education were created. The programs used to meet the objective included various homeownership initiatives that are described in detail in Part I. Consolidated Plan Narrative, Section B. Resources Made Available to the State. Under this program funds are awarded to individual homebuyers applying through private banks and mortgage companies, the buyers must meet specific VHDA and other underwriting criteria. The loan types in this program are FHA, VA, Rural Development, and Conventional, insured and uninsured.

Strategy 2: Work with VHDA to determine feasibility of use of Section 8 vouchers as a means of providing home ownership for low-income individuals in one rural community and for disabled in two urban communities.

During the past program year, through a rural housing rehabilitation project, DHCD made \$741,000 in HOME program funds available for 50-75 eligible first-time homebuyers in the service areas of the Federation of Appalachian Housing Enterprises (FAHE). Three units were actually completed through the HOME Downpayment Assistance Program

Strategy 3: Provide predevelopment and operating funds to CHDOs to increase capacity and unit production.

Strategy 4: Increase capacity of non-profit developers to produce affordable home ownership opportunities through on-site technical assistance and training through the Office of Community Capacity Building (OCCB) in cooperation with VHDA.

The OCCB developed five training modules for a real estate development track and implemented it during the SFY 2004. In FY 2006, it conducted one "Getting Started in Affordable Housing Development" sessions as well as three sessions on "Advanced Real Estate Development." In addition to the capacity building training through OCCB, VHDA continues a statewide comprehensive homebuyer education program continues. In FY 2006 VHDA's programs educated over 5000 potential first-time homebuyers. Down payment assistance program administrators are certified VHDA facilitators.

Objective 2: Increase the availability of affordable rental units by a minimum of 200.

Strategy 1: Allocate over \$4 million of HOME funds through the Affordable Housing Preservation and Production program to support production, preservation and predevelopment of at least four multi-family developments.

Strategy 2: Provide planning and other technical assistance for very low-income and special needs housing development, as well as, general technical assistance on the development process and accessing resources.

Strategies 1 and 2 assist in meeting the above objective. During the SFY 2006, \$3.47 million in HOME funds were committed to multi-family projects including 163 units.

Coordination with Low-Income Housing Tax Credits

VHDA is responsible for the administration of federal Low-Income Housing Tax Credit (LIHTC) in Virginia. LIHTC will continue to be used with VHDA taxable and tax-exempt bond issues, the VHDA Housing Fund, the Commonwealth Priority Housing Fund, and the HOME Investment Partnerships Program to develop multifamily rental housing. The Qualified Allocation Plan (QAP) has enabled VHDA to address specific areas of housing need, such as those of persons with disabilities. DHCD and VHDA are committed to continued coordination to realize the greatest possible impact from the allocation of these resources.

VHDA is continuing to take the following actions that better serve program applicants and ensure coordination of the Low Income Housing Tax Credit with other affordable housing programs: (1) scheduling of an application cycle early in

the year to make it easier for applicants to arrange other necessary financing before the end of the year, (2) using a single application form that, with supplemental information, in order to apply to several programs, and (3) using electronic media to enhance access to applications and forms.

State Low-Income Housing Tax Credits continued to be available during the fiscal year. The agency's Division of Housing continued its administrative responsibility for the program during the fiscal year. State credits offer an additional incentive to projects qualifying for the federal LIHTC by providing a capped credit against state individual income, corporate income, and bank and insurance franchise taxes. Only projects receiving federal credits may receive state credits. DHCD and VHDA cooperated in developing the regulations for this new financial incentive and in coordinating administrative activities.

Objective 3: Address sub-standard living conditions, health, accessibility, and safety deficiencies for 1,500 low-income, disabled, elderly and special needs households.

Strategy 1: Determine feasibility of rehab fund to address the accessibility needs of the elderly and disabled.

Strategy 2: Provide rehabilitation assistance for repair needs for properties identified through the Lead Hazard Control grant.

Strategy 3: Allocate \$5 million to the Indoor Plumbing and Rehabilitation program and through the Community Development Block Grant program.

*Strategies 1-3 were met in SFY2006. The Department used \$2.88 million of the state's **Indoor Plumbing Rehabilitation (IPR) Loan Program** along with \$5 million in HOME to improve 102 substandard housing units through general rehabilitation and by installing indoor plumbing in housing units without complete plumbing facilities or where existing water delivery or waste disposal systems are inadequate or failing. DHCD has integrated Weatherization Assistance Program energy standards into the Indoor Plumbing Rehabilitation Loan Program and the Community Development Block Grant Program, implemented the federal Lead-Based Paint Hazard Reduction Program within the State, and increased the number of heating system safety inspections through coordination with other programs.*

Strategy 4: Use HOME Match and Supportive and Transitional Housing programs to support the development of transitional and permanent supportive housing options for homeless, disabled and others.

Strategy 4 was met through the AHPP Program committing funds that addressed housing needs for those transitioning from homelessness and those possessing physical and mental disabilities, including spinal cord injuries.

PRIORITY: INCREASE THE ABILITY OF COMMUNITIES TO IMPLEMENT CREATIVE RESPONSES TO COMMUNITY-BASED NEEDS.

Objective 1: Support the development of regional approaches and best practices for addressing the affordable housing needs in Virginia.

Strategy 1: Support the Housing Virginia Campaign and its efforts to educate the public about the importance of affordable housing in communities throughout Virginia.

Strategy 2: Highlight successful approaches to meeting the challenge of affordable housing at the Governor's Housing Conference.

Strategy 3: Partner with the Virginia Housing Development Authority's Housing Initiative Team to target underserved communities through training and technical assistance.

Strategy 4: Develop program guidelines and implement new Commonwealth Priority Fund to best address unmet housing needs in collaboration with community-based housing organizations.

Strategies 1 – 4 served as guides in DHCD's support of regional approaches to the issue of affordable housing needs in Virginia. The agency continued to participate in the "Housing Virginia Campaign" and has completed the deployment of the remaining resources of the Commonwealth Priority Housing Fund to allow collaboration with community-based housing organizations. The agency also works through the medium of the Governor's Housing Conference to assure that the affordable housing challenge continues to command attention.

OCCB Training: During state FY 2006, OCCB conducted five training sessions specifically related to affordable housing development that were attended by non-profit organizations, including some CHDOs, for-profit developers, and local government officials. Other training opportunities focused on the basics of community development and its relationship to affordable housing.

PRIORITY: SUPPORT POLICY DEVELOPMENT AND RESEARCH RELATED TO SIGNIFICANT ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT, AND HOUSING ISSUES.

Strategy: Review the reports of the Virginia Disability Commission and the Olmstead Study Commission and consider recommendations in the development of the FY2006 Action Plan.

Agency staff participated actively in working with the Virginia Housing

Commission in its efforts to address a wide array of housing issues. These ranged from the very broad (consideration of establishing a state housing policy), to the highly controversial (consideration of a variety of issues surrounding the use of eminent domain by public entities—including housing authorities), to the highly significant (the first major comprehensive revision of the state's housing authorities law). DHCD also continued to be an active participant in the work of the Virginia Disability Commission and the Olmstead Implementation Team in the development of recommendations relating to the SFY2006 Action Plan. Staff continued to coordinate with the Virginia Interagency Council on Homelessness to spur the implementation of recommendations resulting from participation in the federal-sponsored Policy Academy addressing issues surrounding chronic homelessness.

DHCD again provided the coordination effort to host the annual 2005 Governor's Housing Conference, which took place on September 14-16 2005 in Roanoke. This annual event provides an opportunity for federal, state, and local officials, representatives of nonprofit organizations, homebuilders, housing finance personnel, and others to network and share information about housing needs, resources, trends and techniques. DHCD also completed planning for the 2006 Governor's Housing Conference, scheduled for November 29-December 1, 2006 in Norfolk.

Annually, VHDA completes an update of the Housing Resource Directory. The publication provides users with a single source of information on public, private, and nonprofit housing organizations, agencies, and network resources. Through its web site, VHDA provides links to the varied public and private entities identified within the Directory.

Strategy: Working with the Virginia Interagency Council on Homelessness and through the federal-sponsored Policy Academy develop Virginia's plan to address the housing needs of the homelessness.

The Virginia Interagency Action Council for the Homeless (VIACH) continued to meet during state FY 2005. Participants focused primarily on meeting the needs of each continuum of care planning group in Virginia. Besides planning training programs and facilitating technical assistance, the members coordinated a statewide "point in time count", and developed "HMIS" strategies.

VIACH has served as a statewide resource for state, federal, and local governmental agencies and nonprofit organizations and actively promotes interagency coordination and collaboration. It merged with the Virginia's Policy Academy team in FY 2005 to become the Virginia Interagency Council on Homelessness.

D. Affirmatively Furthering Fair Housing

Virginia's efforts relating to fair housing include training events, investigative practices, and enforcement activities. Although these activities involve more than one state agency, there is a significant degree of coordination between them.

The Department of Professional and Occupational Regulation, Fair Housing Office

Virginia's Fair Housing Office (FHO) serves as the Commonwealth's primary fair housing investigative office. The FHO remains within the Virginia Department of Professional and Occupational Regulation (DPOR) and continues to investigate allegations of housing discrimination and educate housing providers and consumers about the fair housing law.

Actions

Investigative and Conciliatory Activity

In FY 2006, the FHO investigated and closed 127 cases. Of these, the FHO conciliated twenty-five cases. The FHO therefore conciliated approximately 20% of its cases. The approximate amount conciliated on behalf of complainants during FY 2006 is \$104,000.

Outreach and Training Activity

In FY 2006, the FHO conducted some 88 training and outreach activities at numerous locations throughout Virginia. These included Virginia's annual housing conference, the annual conference of the Virginia Association of Realtors, homebuilder's expos, apartment management association meetings, regional Realtor association meetings, as well as smaller group and individual meetings. Approximately 10,000 individuals, including property managers, real estate professionals, newspaper staff, local building officials, housing builders, housing architects, housing consumers, and housing providers attended these sessions.

During FY 2006, the FHO continued to distribute numerous fair housing publications. These included a general fair housing brochure, brochures for architects and builders, a calendar, poster, bookmark, and 44-page disability booklet. Videos and CDs augment the FHO's educational resources. The FHO also distributes a Spanish language fair housing brochure, bookmark, and poster and provides fair housing classes in Spanish. The FHO web site serves as a convenient medium for providing information and communication links to housing providers and consumers.

Other Fair Housing Activities

DHCD provides education and training activities designed to further the achievement of fair housing in communities participating in a variety of state-administered programs for housing and community development.

Virginia's state-administered CDBG and HOME Programs provide one focal point for activities furthering fair housing. Grantees must undertake at least one of eleven possible actions in the areas of enforcement and/or promotion of fair housing during each year that a community improvement grant is active. One activity that will satisfy this requirement is attendance by a member of the local governing body or the chief local administrative official and a second local representative at a fair housing workshop approved DHCD. (In the case of HOME-funded projects, the representative must include housing sponsor staff and a board member.) Other options include: (1) adopting of a fair housing resolution and subsequent local advertising that fact, (2) publishing and distributing fair housing brochures, (3) increasing local awareness of fair housing requirements through public education and information activities, (4) preparing a formal Assessment of Impediments, or (5) undertaking a survey of special housing problems affecting women and minorities and developing a plan to counter the effects of discrimination. DHCD requires that the selected actions are highly visible to the public and that they involve elected officials. Grantees must select a different fair housing activity for each year a grant is active and provide documentation of their completion. Thirteen grants with housing elements joined ongoing projects during the year. Because grants administered by DHCD often extend over more than one year, in FY 2006 over forty localities participated in at least one approved activity.

To help grantees and others in carrying out activities that further fair housing, the Project Management Office and the Housing Division co-sponsored one fair housing workshop in Abingdon on April 12, 2006. Approximately 30 persons attended the session. The two DHCD units cooperated with the Fair Housing Office at the Department of Professional and Occupational Regulation in offering the sessions. Finally, during FY 2006, the DHCD Project Management Office distributed more than 1,000 fair housing brochures to sub-recipients for further distribution within their communities.

E. Analysis of Impediments to Fair Housing

In early 2004, DHCD undertook an assessment intended to identify impediments to fair housing choice within the jurisdiction that would serve as a basis for continuing actions that would overcome the effects of any impediments identified through the analysis. Because the state-administered, federally-funded programs cover a significant portion of Virginia's land area and population, the analysis took a broad perspective. It considered data sources that cover the entire state yet that are also indicative of general conditions that could be addressed through action at the state level. It included a review of pertinent demographic trends, a review of various indices of residential segregation, a consideration of mortgage lending activities reported because of the Home Mortgage Disclosure Act (HMDA), and a review of the circumstances of fair

housing complaints brought before the state Fair Housing Office. In addition, and reflecting the concentration of fair housing complaints within the metropolitan regions of the state, the review also examined locally prepared analyses of impediments and the results of testing programs conducted by statewide or locally-based fair housing organizations and agencies. Finally, the Department surveyed 135 units of local governments to assess the degree to which local authorities had recognized or responded to fair housing issues within the cities and counties of Virginia.

The assessment identified the following areas of concern:

- The effectiveness of Virginia's building regulations in assuring the accessibility of housing subject to the Fair Housing Act Accessibility Guidelines,
- The persistence of significant racial differentials in home ownership rates,
- The apparent confusion among persons involved in rental property transactions with respect to the concept of "accessibility",
- The significance of poor credit ratings on minority access to mortgage financing and the impact of "predatory lending" on the credit standing of lower income or minority households.
- The importance of assuring that program policies and regulations encourage actions that go beyond the minimum responses in addressing fair housing at the local level, and
- The recognition that laws and regulations must take into consideration potential impacts on the availability and affordability of a wide variety of housing options.

The assessment included a number of recommendations for action that could respond to the areas of concern. These included:

- Finding ways to assure that design professionals apply accessibility standards properly in their practice and code enforcement authorities meet their obligations to see that buildings meet current building regulations and therefore comply with the accessibility guidelines,
- Implementing new training requirements for real estate personnel that increase their awareness of fair housing requirements,
- Implementing new certification programs reaching certain unlicensed persons involved in residential rental transactions,
- Including an emphasis on the importance of credit maintenance in home ownership programs and homebuyer education activities undertaken through state housing entities and their local partners,
- Encouraging grantees of housing and community development programs to go beyond minimum requirements and take other more proactive steps to facilitate actively fair housing access, and
- Participating in legislative and regulatory processes to raise questions or concerns about issues that could have adverse consequences for housing

affordability or otherwise serve to impede the attainment of fair housing.

Since completing the assessment, DHCD has participated in efforts associated with the Virginia Housing Commission and the Building Code Academy that are intended to address some of the specific shortcomings it identified. In particular, state agencies have addressed new requirements for real property management employees addressing awareness of fair housing and the inclusion of more emphasis on accessibility issues in implementing the Uniform Statewide Building Code.

F. Progress in Providing Affordable Housing

The relatively fiscal climate that prevailed in the previous annual reporting period continued during state FY 2006. DHCD has used the available resources, including HOME funds, for a wide array of activities, often relying on existing State housing programs to provide affordable housing opportunities in the areas of greatest need. DHCD structured these resources to increase project feasibility and provide long-term affordability to tenants and homeowners.

- DHCD's **Affordable Housing Preservation and Production Program** targets projects that serve lower income households (<60 % AMI) and that have funding gaps between the actual cost and committed resources. DHCD will continue to provide technical assistance as needed to insure that the projects are ready to move forward. DHCD attempts to balance the financial viability each project with its public purpose. **HOME** funds are restricted to state-certified **Community Housing Development Organizations** (CHDOs).
- DHCD's **HOMEownership Program**, formerly the down payment assistance portion of the combined DHCD/VHDA Single Family Regional Loan Fund, operates through local partnerships with governmental entities, non-profit housing service providers, and mortgage lenders across the Commonwealth. The Program makes homeownership more affordable for low-to-moderate income families and individuals by offering down payment and closing cost assistance to eligible borrowers. HOME Loans are zero percent interest, non-amortizing second mortgage loans. Prospective homeowners with incomes at or below 60% of the (AMI) adjusted for household size may qualify for these loans. The program offers up to 10% of the purchase price of the home, (up to 20% in high cost localities), to assist with down payment and closing costs.

This section of the report discusses housing units assisted during the period July 1, 2005 through June 30, 2006. In its 2005 Action Plan, DHCD expected the following accomplishments to result from its administration of HUD-funded programs:

Through the Community Development Block Grant program, DHCD proposed that more than thirty eligible communities receive \$19 million in Community Improvement Grants for housing, economic development, and

community development activities that will benefit LMI persons, eliminate slums and blight, and meet urgent local needs for community facilities. Grants also provided \$804,000 to meet a 2004 CDBG letter of intent and provided \$4.2 million in support of multi-year projects and \$500,000 available for planning grants to assist localities develop responses to locally identified housing, economic development, and community development needs

As tables on the following pages indicate, DHCD performance in the housing activities incorporated within the Action Plan was generally in line with expectations.

PROPOSED AND ACTUAL USES OF HOME, ESG, AND HOPWA PROGRAM FUNDS**HOME PROGRAM**

HOME Activities	Amount	Program. Income	Committed	To Be Committed	2005 Goal	2005 Actual
CHDO-Operating Assistance	\$400,000	NA	\$50,000	\$350,000	N/A	1 CHDO funded as of 6/30/06. 1 agreement pending
Affordable Housing Preservation & Production	\$4,000,000 (\$2,378,826 is restricted for CHDOs).		\$3,477,528	\$522,472	200 units produced or rehabbed for homeownership or rental by targeted population	163 Units Committed
Indoor Plumbing Program	\$5,000,000		\$2,041,938	\$2,958,062	300 housing units provided with rehabilitation and indoor plumbing	101 Units Completed
HOMEownership Down Payment Assistance	\$2,572,833	\$417,444	\$3,415,490.46	(\$ 425,213.46)	400 new income-eligible homeowners	349 first-time homebuyers as of 6/30/06
Rural Housing Rehabilitation Project	\$741,000		\$0	\$741,000	50-75 eligible first-time homebuyers in the Federation for Appalachian Housing Enterprises service area	3 units (accounted for under the HOME DPA program)

HOME Activities	Amount	Program. Income	Committed	To Be Committed	2005 Goal	2005 Actual
HOME Match for Supportive Housing	\$800,000	NA	\$0	\$800,000	15 beds of permanent housing for persons with disabilities; 14 beds of transitional housing	4 applications pending. All awarded SHP grants under HUD's 2005 Continuum of Care Awards.
Homeless Housing	\$1,300,000	NA	\$0	\$1,300,000	A minimum of 3 transitional housing programs assisted	Received 2 proposals to fund transitional housing expansion projects. Awards pending
Tenant Based Rental Assistance Pilot	\$250,000	NA	\$125,000	\$125,000	100 chronically homeless persons connected to housing in 2 years.	Two regional programs operational as of 6/30/06. There have been nine eligible referrals, and one is currently receiving monthly assistance.
Administration	\$1,584,884		\$1,584,884	\$0		100% Committed
Program Income	\$0	Est. \$417,444				
HOME total	\$16,648,717					
Total	\$17,066,161	Est. \$417,444	\$10,694,840	\$6,371,321		

Emergency Shelter Grant

Emergency Shelter Grant Activities	Amount	Committed	Unused Funds to be Committed	2005 Goal	2005 Actual
Shelter Operations	\$1,415,695	\$1,401,865	\$88,340	<ul style="list-style-type: none"> Fund 77 sub-recipients and a minimum of 2,500 beds A minimum of 30 % of the homeless households served in emergency shelters in fiscal year 2005 will move into transitional or permanent housing A minimum of 75% of the households who are housed in a transitional housing program in fiscal year 2005 will move into permanent housing Move 5,000 homeless individuals and families into permanent housing each year of the biennium 	<ul style="list-style-type: none"> The SHARE Shelter Support Grant and/or SHARE Federal Shelter Grant funded 5,274 beds. ESG assisted 2,880, or 54.6 percent of the total. 75 shelter providers received assistance through ESG. 52% of the households exiting transitional housing were placed in permanent housing.
Administration	\$74,510				
Total Grant	\$1,490,205				

Housing Opportunities for Persons with AIDS

HOPWA Activities	Amount	Funds Carried Over From Previous Year	Funds Committed by Contract Extension	Funds to be Allocated in 2006	2005 Goal	2005 Actual
Operations and Supportive Services	\$558,000	\$53,920	\$202,912	\$409,008*	Provision of housing and supportive services to 100 eligible households.	Provided rental assistance to 71 households and emergency/short-term assistance to 138.
Administration (10% of Total Grant)	See Below					
• Administration allocated to sub-recipients	\$42,840 (7% of award)					
• DHCD	\$18,360 (3% of award)					
Total	\$612,000					

* Funds not used during grant year will be carried over to next year's funding or reallocated to current recipients for housing, services or special projects. DHCD intends to award \$1,084,000 in HOPWA funds by contract in FFY '06.

The previous tables allow a comparison of results with goals included in the Action Plan (which projected the numbers of persons or households to be assisted) and shows that the State met many of its important goals. The number of homeless individuals and family households assisted through emergency and transitional housing again fell below initial projections. The Homeless Intervention Program benefited 3,859 people in some 1,489 renter and owner households

Assistance to existing homeowners continued at a high level. The Action Plan proposed benefiting some 700 households through the Affordable Housing Preservation, Indoor Plumbing, and the HOME Downpayment Assistance programs. Other activities relying in whole or in part on non-HUD funding sources, such as VHDA mortgage lending, through renovation, weatherization, and emergency repairs supplemented these activities. These existing state or state/federal programs--among them Indoor Plumbing, Weatherization Assistance, and Emergency Home Repair--continued to be successful in their outreach efforts, contributing to overall high service levels. Over half of the assisted owner households were at income levels between 0 and 50% of Median Family Income; the remaining assisted households were in the 51%-80% MFI category. By way of contrast, most of the VHDA home purchase lending activity involved households at or above 30% of MFI, primarily in the range between 50% and 80% of MFI.

The pattern of assistance provided to renter households differed. Although the total number of renter households assisted (184) was under a third of the projected (600) in the Action Plan, the HOME program had closed out only a fraction of these units by the close of the fiscal year. Two-thirds of the reported households fell within 0% to 30% of MFI. Most of the remainder of the remaining assistance went to households in the 31%-50% MFI range. Households in the 51% to 80% MFI income range accounted for only about five percent of the multi-family program assistance.

As in the past, these production figures primarily reflect the performance of the HOME and CDBG programs. Federally funded energy-related programs address a similar population, but do not provide strictly comparable information concerning income and racial/ethnic composition. Such information is also not available for units assisted by the State's administration of its LIHTC allocation. Nevertheless, 99 percent of the units whose financing hinged on the availability of tax credits serve households at or below 60 percent of median income; 44% were further restricted to those earning less than 50% of the AMGI and 2.5% were further restricted to those earning less than 40% of the AMGI.

The pattern for the distribution of assistance among various income groupings is instructive. Even if single- family mortgage revenue bond units had been included, households below 50% MFI continue to receive the majority of the

reported assistance. The inclusion of LIHTC units would shift the distribution even further back toward the very low and low-income strata.

The table summarizes the Commonwealth's distribution of HOME and CDBG resources to the most challenged income groups and populations as reported on the C04PR23 report on the basis of closed out projects..

**Summary of Housing Accomplishments
Commonwealth of Virginia by Program Year**

Priority Need Category	Actual Units				
	2003	2004	2005	2006	2007
Renters					
0-30% of MFI	48	39	121		
31-50 % of MFI	31	25	50		
51-80 % of MFI	28	23	13		
Total	107	87	184		
Owners					
0-30% of MFI	246	181	101		
31-50 % of MFI	464	430	264		
51-80 % of MFI	443	542	217		
Total	1,153	1,153	582		
Homeless*					
Individuals	18,358	15,744	20,798		
Families	13,257	9,846	15,830		
Total					
Non-Homeless Special Needs					
Total	206				
Total Housing	1,806	1,240	0	0	0
Total 215 Housing					

Total Housing	2003		2004		2005		2006		2007	
	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic
White	582	6	468	4	363	4				
Black/African American	622	3	726	1	519	0				
Asian	4	0	4	0	6	0				

Total Housing	2003		2004		2005		2006		2007	
	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic
American Indian / Alaskan Native	4	0	5	0	2	0				
Native Hawaiian / Other Pacific Islander	12	1	10	1	4	0				
American Indian / Alaskan Native & White	0	0	0	0	1	0				
Asian & White	1	0	1	0	0	0				
Black / African American & White	2	0	1	0	1	0				
American Indian / Alaskan Native & Black / African American	0	0	0	0	0	0				
Other Multi Racial	14	7	10	7	24	20				
Total Housing										
Total Racial/Ethnic	1241	17	1225	13	920	24				

G. Continuum of Care Narrative

Actions Taken to Address the Needs of Homeless Persons

This section of the report describes the actions taken by the state to address the needs of homeless persons and the special needs of persons who are not homeless but require supportive housing, including those persons with HIV/AIDS and their families. The state has continued to take an active role in this area, particularly with respect to steps directed at preventing homelessness.

In FY 2006, the coverage of the Balance of State Continuum of Care was increased to include all remaining areas in the state not covered by local continua. The total coverage includes Planning Districts 1-4, 9, 13 and 14, 17 and 18, and 22. A Balance of State Steering Committee oversaw the development and submission of a C of C application for over \$681,000 that will establish permanent supportive housing units for the chronically homeless and provide renewal funding for the Homeless Information Management System (HMIS) awarded as a result of the FY 2005 application. The HMIS will enable the state to better analyze the true nature of homelessness in Virginia and ensure that resources are allocated to appropriately match the needs.

Twenty-two Continua of Care currently operate within the state. They received over \$20 million in funds to support housing the homeless.

In support of the President's initiative to end chronic homelessness, DHCD established a tenant based rental assistance program (TBRA) targeting the chronically homeless in three jurisdictions. The program has encountered difficulties in getting underway, resulting in the decision to reduce the allocation of program funds for the project to \$500,000. The agency has continued to review the program design in anticipation of either improving its workability or discontinuing it. This decision will be made before April 1, 2006. If the program is discontinued, the allocation will be redirected to other programs serving the homeless those at risk of becoming homeless, or those in transition out of homelessness.

Evidence of the agency's commitment to housing the homeless may be found in the \$2.1 million of HOME resources being allocated to the creation of transitional housing and permanent supportive housing along with HOME Match activities.

These distinct areas comprise the state's response to the needs of homeless Virginians:

- Support, using federal and/or state funds, for emergency shelters and transitional housing facilities assisting homeless families and individuals;
- Support for the provision of case management and direct services to children in both homeless and domestic violence shelters;
- Grants for local administrators providing temporary rental, mortgage, and/or security deposit assistance to homeless households or those in imminent danger of becoming homeless;
- Virginia Interagency Action Council for the Homeless; and
- In an effort to stabilize individuals and families with AIDS and to prevent homelessness, rental assistance was provided to over 100 units during the program year.

Shelter Support Grants

The state applies both federal (ESG) and state funds to **Shelter Support Grant** (SSG) programs to help homeless families and individuals in emergency shelters and transitional housing facilities. State funds provide for rehabilitation, repair, and improvements needed to bring homeless facilities into compliance with state and local health and building codes. For facilities in compliance, these funds can defray operating costs such as salary support, administration, maintenance, rent, utilities, insurance, supplies and furnishings. SSG funds may also provide essential human services that address employment, substance abuse, education or health needs. Such services cannot duplicate or displace already existing services. Similarly, federal program funds from the ESG

program help the homeless by assisting with the costs of operations for emergency and day shelters and transitional housing facilities. Grants may be used to meet the costs of operations of the facilities. Grantees, except for entitlement cities and counties receiving funds directly from HUD or a Supportive Housing Program grant for operations, may receive both state and federal funding for each bed in their facility. Grantees in the ESG entitlement cities are ineligible for funding from the state's Emergency Shelter Grant (ESG) component.

The Department of Social Services has made a portion of its Temporary Assistance to Needy Families (TANF) Program funds available through DHCD to SSG grantees. In state FY 2006, a total of \$3,101,411 TANF funds were available to be used in any manner consistent with the purpose of the SSG Program.

During the year, DHCD allocated both SSG and ESG grants based on the number of beds available to serve the homeless. Funding for seasonal facilities (e.g., winter shelters) was based on the average daily bed count and prorated for the number of months the shelter was in operation. Awards of federal funds for day shelters were based on 50% of the average daily attendance of persons for whom the provider has documented homelessness.

Grants of state and/or federal funds supported 5,271 shelter beds in state FY 2006 provided by 111 project sponsors located in 58 counties, cities, and towns spread across the Commonwealth. Of these, 2,299 were emergency shelter beds and 1,850 were transitional housing beds, 778 were domestic violence emergency shelter beds, 347 were winter shelter beds and day shelters. (Note: Funding for winter shelters beds is prorated by the number of months they are in operation and day shelters are funded at 50% of the average daily attendance.) Of the total number of beds funded, the state-funded program assisted 5,428 and 2,967 beds received funds originating in the federal program. A total of 15,830 households comprised of 20,978 persons were sheltered in state fiscal year 2006 in emergency shelter and transitional housing facilities funded.

The Child Services Coordinator Grant (CSCG) program contributes support for the salary, wages and any other associated personnel costs for a professional child services coordinator providing case management and direct services to children in homeless and domestic violence shelters in Virginia. Nonprofit organizations and local governments providing emergency shelter and transitional housing are eligible recipients of CSCG funds. Applicants must be able to document a minimum average monthly census of at least five homeless children, who have remained in the facility an average of eight consecutive days in the last fiscal year.

The CSCG program addresses the needs of homeless children by:

- Insuring that professional child service resources are available to Virginia's emergency and transitional shelters serving homeless families with children through linkages in the community.
- Improving service delivery to homeless children through increased information sharing, collaborative planning, and analysis and referral to existing resources.
- Emphasizing parental choice and participation in the coordination of services for children.

An appropriation of \$500,000 in state general funds and \$563,125 in Temporary Assistance to Needy Families (TANF) funds supported the program during state FY 2006. In state FY 2006, a total of 4,785 children received services through this program; 3,841 children were determined to be TANF eligible children. This funded 21 full-time and 38 part-time child services coordinator positions in 47 shelters located in 38 counties, cities and towns throughout the state.

HOMELESS INTERVENTION PROGRAM (HIP)

The Homeless Intervention Program (HIP) supports grants and loans that may be used for temporary mortgage or rental assistance, security deposits, and housing counseling for low-income households that are either currently homeless or in imminent danger of becoming homeless. Nonprofit agencies and governmental entities, including cities, towns, counties, and redevelopment and housing authorities are eligible to apply for program funds through a competitive process. Twenty –seven grantees or local administrators (LA) provided program services throughout the entire state during FY 2006.

Grantees are able to decide if all financial assistance is given to clients as a loan, or they can provide the rental assistance as a grant and the mortgage and deposit assistance as a loan. All loans are at made 0% interest and repayment plans are very flexible. With the loan repayment money, one-half may be used to offset administrative costs and the remaining half has to be used to provide additional services to clients.

In state FY 2006, clients repaid a total of \$260,880 of their loans. Of this amount, \$89,159 was used for administrative costs and \$118,276 was used for direct client services. Local administrators forgave \$26,467 in loans.

DHCD allocated HIP funding totaling \$5,130,000 to 27 local administrators. Temporary Assistance to Needy Families (TANF) funds comprised \$630,000 of this amount. A general fund allocation of \$4.5 million provided the remainder.

Demographics of Service

This subsection presents information provided by recipients of HIP funding from the various local programs receiving HIP support administered by the Department.

In state fiscal year 2006, local administrators assisted 1,419 households representing 3,859 persons. Fifty-three percent (53%) of those served were under the age of 17; thirty-two percent (32%) of the households served benefited from the use of TANF funding.

Of the households receiving assistance, 15.8% owned their own home; 66.6% lived in rental housing; and 17.6% were homeless (residing on the street or in a shelter), living in a domestic violence shelter as victim of domestic violence, living with family or friends or in another housing situation.

Virginia Interagency Action Council for the Homeless (VIACH)

For approximately 14 years, the Department has been the host agency for the Virginia Interagency Action Council for the Homeless (VIACH). VIACH serves as a statewide leadership organization to eliminate homelessness in Virginia by facilitating communication, cooperation, coordination and collaboration between federal, state and local governmental entities, not for profit agencies, and advocacy groups that serve the homeless. Our membership includes representatives from four federal government and eight state government agencies, three statewide advocacy organizations and continuum of care planning groups from across Virginia. Our regional representative from the Interagency Council for the Homeless believes that the VIACH model should be replicated in other states.

In the previous years, VIACH members have worked on two key initiatives, the creation of a statewide homeless management information system (HMIS) and Virginia's Ten Year Plan to End Homelessness. With leadership from the Department, the Balance of State Continuum of Care received funding for a HMIS through the 2005 SuperNOFA. HOMEWARD, Richmond's homeless services coordinating organization, is currently administering the HMIS for several local continua across the state and encouraging other continua to join their existing network.

The Department and the members of VIACH were committed to the development and implementation of a plan to end homelessness in Virginia, not just chronic homeless, which is the primary focus of a key federal initiative. To assist in the development of this plan the Department contracted with the Virginia Tech, Housing Study Research Center to conduct research and actually write Virginia's Ten Year Plan to end Homelessness. The VIACH members also played a key consultative role in the development of this plan. Additionally, with the leadership of the Department and a team of key state government officials went to Denver in October, 2003 to participate in the HUD sponsored Policy

Academy. While the work of the Policy Academy is to help states develop strategies to address chronic homelessness, this information is just one part of an over-arching plan to end homelessness for all persons in Virginia.

2006 SuperNOFA Competition

During the portion of the 2006 SuperNOFA competition that took place before the close of the program year, DHCD received 10 requests for the certification of projects as being consistent with the current Consolidated Plan. The applicants included state and local public housing authorities, non-profit housing development organizations, and other eligible entities serving nonentitlement areas. Individual projects sought funding from a variety of programs subject to the certification requirement. These included Section 811 and 202 supportive housing for the homeless, disabled, and elderly; the Resident Opportunities and Self-Sufficiency (ROSS) Program; and Youthbuild. In each case, DHCD considered the project location, proposed facilities, the need being addressed, the target population, and their relationship to the needs identified in the Consolidated Plan and other relevant need assessments. DHCD also certified annual or 5-year plans for several non-entitlement PHAs, and issued a state certificate for a newly forming HOME consortium proposing to serve communities within the New River valley. DHCD also received information relating to the proposed formation of another new HOME consortium serving localities within the Northern Shenandoah Valley Planning district. Pending the receipt of additional information, this review is ongoing.

H. Other Actions Undertaken

1.Public Policies

The Action Plan included strategies addressing regulatory impediments to the preservation or creation of affordable housing. These strategies have shifted over time, reflecting recent achievements and changes in the circumstances influencing housing affordability. The Housing Needs Assessment completed in 2001 and greater involvement by VHDA and DHCD in responding to the housing needs of persons with disabilities continued to influence this year's activities. The Disability Commission underscored this by ranking housing needs as among the most significant concerns for persons with disabilities and established a housing work group to develop responses. Among the Housing and Community Development actions included in the FY 2005 Action Plan, the Department indicated its intent to address a variety of barriers to affordable housing. Actions included continued support for uniform building code requirements for both new construction and rehabilitation—including accessibility requirements. The priority addressing expanded housing opportunities for populations requiring supportive services called for increased involvement in efforts to promote housing accessibility for persons with disabilities. The Department indicated the need for continued scrutiny of regulations that can affect housing affordability. The Action

Plan also proposed the following actions addressing the environment for the production or preservation of affordable housing:

- Continue to coordinate project funding through various sources in a way that will reduce nonessential duplicative requirements.
- Continue to administer a Uniform Statewide Building Code (USBC) that emphasizes the attainment of public health and safety goals for new construction and maintenance at the least cost consistent with those goals.
- Promulgate a new edition of the USBC that incorporates updated provisions of the International Building Code, including those addressing the rehabilitation and productive reuse of existing residential and non-residential structures.
- Offer training through the Building Code Academy that focuses on the provisions of the USBC that facilitate the maintenance, rehabilitation, development and reuse of existing buildings in accordance with those provisions.
- Promote the use of varied types of single-family dwellings in areas zoned agricultural and residential.
- Continue to scrutinize state enabling legislation, local land use ordinances, and introduced legislation with the potential to impede the production and preservation of affordable housing.
- Recommend support for legislation with the potential to increase housing affordability.
- Participate
- Continue to consult with the homebuilding industry, local governments, and affordable housing advocates in considering the potential impact of state statutes and local regulations on affordable housing.
- Participate in the working groups of the Virginia Housing Commission that are focusing on the development of a statewide housing policy, including such issues as affordability, community revitalization and blight removal.
- Pursue homeownership initiatives underway at the Department that assist lower-income households for the purchase of their first home.

The Action Plan includes many policy areas that require either legislative action or assent, the active cooperation of other state agencies, local governments, and/or the participation of other public or private entities. Thus, the Plan's primary role in the public policy arena is to provide a framework for ongoing State activities that implement various aspects of the Consolidated Plan. External factors may influence Plan implementation. This section of the Report examines progress in the areas identified in the Action Plan and describes changing circumstances that may require modifications to the strategies originally included in the Plan.

Infrastructure Finance Issues

DHCD has continued to coordinate activities of the State's CDBG program, the Indoor Plumbing Rehabilitation program, and the Virginia Water

Project in supporting the availability of adequate infrastructures—particularly water/wastewater facilities for affordable housing developments. Even during the years when the fiscal circumstances of the state led to reductions in many program areas, including housing assistance, the legislature continued to make funding available for indoor plumbing and water supply improvements. The budget for the forthcoming biennium (State FY 2007-2008) included \$2.4 million in general funds for drinking water and wastewater improvements in Southwest Virginia.

Support for Uniform Building Regulations

Virginia has continued to follow its established policy of adopting a single set of uniform building regulations applicable to all new construction within the state. During the 2006 legislative session, the Department worked to sustain the consistency and uniformity of its building and fire safety regulations, by successfully opposing efforts to fragment various provisions of the Uniform Statewide Building Code (USBC). On November 16, 2005, the most recent edition of the state's building regulations became effective. These now include three distinct parts addressing, respectively, new construction, the rehabilitation of existing structures, and the maintenance of buildings. The USBC incorporates provisions of the International Code Commission's (ICC) 2003 model International Building Code (IBC). The process for considering the adoption of provisions based on the subsequent edition of the underlying model codes as well as other changes recommended by interested parties will begin in the fall of 2006.

Actions

DHCD's training programs are as critical as the actual provisions of building and fire safety codes to meeting Virginia's commitment to implementing uniform regulation, enforcement, and training throughout the Commonwealth. DHCD provides uniform training for those individuals in local governments charged with enforcing the building, rehabilitation, maintenance, and fire codes. DHCD has expanded training and information programs beyond code enforcement personnel to include opportunities for building contractors, architects, tradesmen, and others who must apply or comply with the provisions of the USBC, Statewide Fire Prevention Code (SFPC), building maintenance requirements and provisions related to the rehabilitation of older existing structures.

During FY 2006, DHCD sponsored 31 training programs for code enforcement and building design professionals between July 2005 and June 2006 through the Virginia Building Code Academy. It consisted of the Academy's core module, advanced official module, consolidated residential/commercial inspection modules for the mechanical, electrical, plumbing, and building inspection disciplines, plan review modules for both structural and non-structural building components, property maintenance module, fire protection systems inspection module, rehabilitation of existing structures training, amusement device inspection modules, train-the-trainer program for developing code

academy instructors, and permit technician's module. Academy programs emphasized the uniform application, administration, and interpretation of Virginia's building, fire, and maintenance codes and the amusement device regulations, as well as provisions related to the rehabilitation of older existing structures. Besides the Academy's standard offerings, DHCD sponsored 35 mandatory code-change training events. Approximately 4,000 students attended the code academy and mandatory code change training programs during FY 2006.

Accessibility Requirements

Concerns about the degree of compliance with various accessibility standards, including the HUD *Housing Accessibility Guidelines* applicable to multifamily properties, have led to more intense scrutiny of code provisions and enforcement measures. The current edition of the USBC draws on the 2003 International Building Code (IBC). In its *Final Report on HUD Reviews of the Fair Housing Accessibility Requirements in the 2003 International Building Code*, the federal agency granted the 2003 IBC safe harbor design status subject to certain conditions relating to pedestrian site accessibility. 3 DHCD will base its training on the agreement between the ICC and HUD that clarifies how the accessibility provisions are to be applied to assure access for persons with disabilities to covered forms of housing.

State and Local Regulatory Reviews

Issues initially identified in the 1995 Report of the Secretary of Commerce and Trade on Regulatory Barriers to Housing Affordability continue to be acted upon by the legislature

Actions

- The Virginia Housing Commission, a permanent legislative study entity, continued its effort to develop a statewide housing policy for the Commonwealth.
- During the 2006 legislative session, the Virginia General Assembly considered numerous bills with potential consequences for housing affordability. The legislature extended authority to impose transportation impact fees to three additional localities and lowered population growth thresholds used to establish the eligibility of localities to impose cash proffers. The legislature also provided for state Transportation Department review and comment concerning local comprehensive plans or amendments to them. Other measures called for closer coordination of local and state transportation facility planning. Arlington County received authority to adopt an affordable housing ordinance permitting the locality to seek affordable housing contributions from developers as a condition for the approval of certain local discretionary land use permits associated with high-density projects. For the

3 The final report is available at <http://www.hud.gov/offices/fheo/disabilities/modelcodes>

first time, the legislature authorized local governments to adopt transferable development rights programs that allow the shift of development densities from one area within a locality to another. Finally, the legislature made the inclusion of cluster zoning provisions mandatory for most localities that have adopted zoning ordinances, effective July 1, 2007.

2. Institutional Structure

As in previous years, several significant developments in the institutional environment for affordable housing occurred during the period incorporated in this Report. As noted previously, the 2003 sale of the assets of the Housing Partnership Fund to VHDA marked an important change in the state's institutional arrangements for promoting affordable housing. During 2003-2005, the Priority Housing Fund used residual proceeds from the sale of the Partnership Fund to provide a source of funding for housing targeting areas of particular need—including seniors and persons with disabilities. The 2005 legislative session adopted budget language creating a community development financial institution or CDFI to apply the remaining resources of the Priority Housing Fund and other sources as capital for targeted lending and investment for both economic development and housing within distressed communities and populations. During the recently concluded fiscal year, the CDFI organized itself and began operations. VHDA, though its bond-funded programs and administration of the federal tax credits played the major role in the multifamily realm while DHCD coordinated resources used to support lower-income home ownership through the Single Family Regional Loan Fund—promoting increased opportunities for home ownership for lower-income Virginians.

3. Intergovernmental Cooperation

DHCD has used several approaches to promote coordination and cooperation among potential partners in creating opportunities for the creation and preservation of more affordable housing. It has continued to work closely with the Virginia Housing Study Commission, researching issues, preparing background papers, and participating on Commission subcommittees and work groups. DHCD and VHDA continued their involvement with the Virginia Disability Commission. The *Olmstead* Task Force completed its work in 2003; however, the state subsequently established by statute a Community Integration Advisory Commission that is charged with following up on key recommendations from the *Olmstead* Task Force—including those addressing the housing needs of persons with a variety of disabilities.

DHCD maintains memoranda of understanding or agreement with several state agencies to assure the clear demarcation of responsibilities and actions in such areas as weatherization, lead-based paint hazard reduction, and the application of the Uniform Statewide Building Code. DHCD continues to report annually on lead-based paint hazards to a special legislative subcommittee.

DHCD sought to encourage local governments to play a more proactive role in support of affordability through procedural or policy changes. Local

governments also received an opportunity to approve nonprofit applicants for DHCD program funding. VHDA and DHCD continued to coordinate various program activities, while actively seeking of opportunities to leverage additional partners and resources.

Many of the programs subject to the Consolidated Plan involve the participation of Virginia local governments, whether as grantees, program participants, or partners with other private non-profit or for-profit entities.

4. Low-Income Housing Tax Credits—Federal and State

The Tax Reform Act of 1986 established the Low Income Housing Tax Credit Program, which uses federal tax credits to encourage additional investment in multifamily projects meeting specific occupancy and rent level requirements. The Virginia Housing Development Authority (VHDA) became responsible for administration of this Treasury Department program in 1990. Virginia's current Qualified Allocation Plan (QAP) considers the following criteria in reviewing the projects competing for a credit allocation: (1) project readiness, (2) housing needs characteristics, (3) specific development characteristics, (4) tenant population characteristics, (5) sponsor characteristics, (6) the most efficient use of the available credits and other resources, and (7) bonuses for additional features related to preservation of low income rents for extended periods. At least 15 percent of the available credits are reserved for projects sponsored by a qualified nonprofit organization. Combinations of taxable and tax-exempt VHDA bonds and such federal resources as Project-based Section 8 Certificates, historic preservation credits, CDBG and HOME funds were associated with several projects.

In 2006, VHDA had approximately \$17.4 million available for allocation among the eight eligible pool categories.

VHDA has retained authority to reserve up to three percent of the annual credit ceiling for a subsequent year for applicants proposing non-elderly developments intended to serve persons with disabilities and that: meet additional criteria. They must: (1) provide rent subsidies or other assistance to ensure occupancy by extremely low-income persons, (2) conform to HUD accessibility regulations, and (3) market them actively to persons with disabilities. This provides a financial incentive for the creation of additional housing opportunities for this population.

VHDA also provides for a similar reservation of up to fifteen percent of the annual credit ceiling for applicants proposing to acquire and rehabilitate non-elderly developments within any of five Northern Virginia localities. This option is limited to projects that cannot be acquired within the timetable for the competitive process and cannot be financed with tax-exempt bonds using the Authority's normal underwriting criteria for its multi-family tax-exempt bond program. Eligible projects must meet additional criteria relating to the tenant income mix and other requirements including local government financial participation.

In 2006, the General Assembly considered a bill that would have made substantial changes to the existing state housing tax credit program. HB 1174 proposed replacing the existing low-income housing tax credit with a credit focusing on the cost of land acquisition related to a qualifying multifamily housing project. Developers building or substantially rehabilitating a qualifying multifamily housing project would be eligible for a tax credit equal to 50% of the cost to acquire the land for the project. Because the legislature carried the bill over for further study; there were no substantive changes in the existing state low-income housing tax credits administered by DHCD during the most recent fiscal year.

Since 1998, the state has offered a state low-income housing tax credit to qualifying projects receiving federal credits through the program administered by VHDA. Aggregate state credits remain capped at \$500,000 per year. Eligible entities may use the credits to offset state individual or corporate income taxes, bank franchise taxes, or insurance franchise taxes. Qualified investors may claim the credits over a five-year period. They are set at ten percent of the amount of the federal credits awarded to the qualifying project. Over the six years of the program's operations for which the Department of Taxation has prepared data, the number of claimants and the amount of the credit actually provided to qualifying projects have increased sharply.

Year	Number of Claimants	Amount of Credits Actually Claimed
2003	42	\$678,895
2002	39	\$57,169
2001	43	\$74,348
2000	12	\$29,049
1999	14	\$5,594
1998	19	\$13,946
Totals	169	\$859,001

5. Public Housing Resident Initiatives

Although DHCD is not directly involved in the administration of public housing within the Commonwealth, Action Plans have continued to include recommendations addressing this issue. Besides promoting the concept of individual development accounts (IDAs) to encourage savings and investment among lower income households such as those eligible for or residing in public housing, DHCD has supported legislation encouraging housing authorities to promote a number of tenant management and home ownership initiatives, including the appointment of advisory tenant representatives to public housing authorities.

Actions

The Virginia Department of Social Services (DSS) has continued its use of

asset building strategies using funds available from the Temporary Assistance to Needy Families (TANF) Program as part of broader welfare reform efforts.

6. Lead-Based Paint Hazard Reduction

During FY 2006, DHCD received a new HUD Lead Hazard Control grant in the amount of \$3,000,000 to reduce lead hazards in 100 housing units located in 12 localities with documented multiple cases of elevated blood levels in children. HCD applied for the grant through the 2005 SuperNOFA on June 7, 2005, and received notice of the award on September 21, 2005. This grant agreement was executed and grant terms and condition went in to full force and effect on November 1, 2006. DHCD cleared two units by June 30, 2006.

Vital partners include the Virginia Department of Health (VDH) along with the sub-grantees responsible for assisting the property identification process in target localities.

Subgrantees in the targeted localities are conducting lead hazard reduction and client education. Inspector/Risk Assessor and worker training was conducted by DHCD at the outset of the grant and continued on an as-needed basis.

The Weatherization Assistance Program added a Lead Hazard Control curriculum to its training program to provide specific lead safe work practices training to weatherization program workers and provides group pollution occurrence insurance for all weatherization providers.

7. Program Objectives and Possible Changes

The state's affordable housing and community development programs seek to invest in financially feasible projects that address a locally identified need. Housing programs experienced significant changes earlier in the decade with the sale of the Housing partnership Fund, the creation of the Priority Housing Fund, and still later the establishment of a new Community development financial Institution capitalized in part with the remaining Priority Housing Funds. No substantive changes in this program objective are currently being considered.

In the event that DHCD considers substantive program changes, the agency typically convenes focus groups comprising customers, associated agencies, and local administrators to review various programs and procedures. Such meetings sometimes lead to proposals for policy changes; more often, the results are programmatic or procedural changes. In addition to requesting input from focus groups, if the Department is proposing changes, these are also presented to a focus group of housing providers before formal public hearings or their ultimate implementation.

Although the global priorities of DHCD programs have not changed substantially, the agency continually makes incremental changes in program

design to enhance its ability to accomplish those program priorities. In the housing area, these have included new scoring preferences for rehabilitation projects that include home ownership opportunities, repayment of assistance, and sweat equity contributions; the recapture of more rehabilitation assistance; required landlord participation in certain affordable housing projects; and other restrictions or limitations on rehabilitation programs. In virtually every recent program year, DHCD has reexamined its CDBG program design and incorporated various changes. Those undertaken in the 2005 program year are discussed in some detail in Part II B.

I. Leveraging Resources

The Action Plan estimated the potential leveraging associated with the administration of various housing programs at up to \$25 million. A conservative estimate of the actual level achieved from the use of various public housing resources exceeds \$15 million. Three primary housing initiatives continue to account for most of the leverage. Federal and state low-income housing tax credits stimulated private sector investment in some affordable rental housing projects. The home ownership assistance programs provide only down payment and closing costs assistance, requiring permanent mortgage money from the private sector. The availability of state and federal funds to address various aspects of homelessness has also significantly enhanced the ability of local partners to tap into other private sources of funds or services.

Community Development Block Grants

The proposed CDBG Program leveraging for the 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004 and 2005 program years was, respectively, \$120.6 million, \$72.3 million, \$107.3 million, \$90.3 million, \$525.7 million, \$61.2, \$121.1 million, \$33.4, \$40.7, \$46.6, \$86.3 and \$158 million for State FY 2006.

J. Citizen Comments

During the public comment period, which concluded on September 25, 2006, DHCD made the draft CAPER available on-line and provided copies to each of the twenty-one planning district commissions within the state.

K. Self Evaluation

The following assessment summarizes the major activities and achievements for the period from July 1, 2005 through June 30, 2006. This represents the period covered by the Action Plan for the third year of the Consolidated Plan submitted in 2003, which included federal program years 2003-2007 and state fiscal years 2004-2008.

The financial stringency that characterized the start of the current decade continued to ease during the fiscal year. However, the consequences of

previous actions undertaken to maintain fiscal discipline within the state budget continued to limit the state's capacity for addressing housing and community development needs. In particular, the sale in 2003 of the bulk of the assets of the Virginia Housing Partnership Revolving Fund to the Virginia Housing Development Authority marked a change in the State's overall approach. Provisions within the previous year's budget that directed the use of the residual balance of the Partnership Fund on an interim basis to the Priority Housing fund to support affordable housing to additional low-income Virginians provided a temporary bridge. Subsequently, the state redirected the remaining Priority funds and other assets to capitalize a new community development financial institution intended to grow into a new source of funding for housing and community development activities-particularly in distressed communities. In spite of the evolving program structure, DHCD has been able to address key areas subject to the Consolidated Plan. DHCD and its partners within the state government remained committed to the priorities established in the Consolidated Plan. DHCD continued to emphasize the development of partnerships at state and local levels as well as the leveraging of resources. During the period, the Down Payment Assistance Program leveraged significant support for first-time homebuyers.

The HOMEownership Down Payment Assistance Program succeeded the Single Family Regional Loan Fund Program as DHCD's primary homeownership program. This enabled continued cooperation between VHDA and DHCD in meeting the objectives of providing home ownership opportunities to underserved areas/populations. It also sustained efforts to develop partnerships among smaller housing providers while bringing regional partners, including Planning District Commissions, into the administration of housing programs.

This was the third year of the new Consolidated Plan adopted in 2003 and subject to the Action Plan for State FY 2006. General support for the priorities, which had been carried over from the original CHAS and modified incrementally, continued to be tempered by concerns about the availability of sufficient funding to meet the State's competing priorities for affordable multifamily housing, the provision of indoor plumbing, the rehabilitation of existing units not requiring indoor plumbing, and housing for persons with special needs resulting from disabilities or other causes.

Despite facing significant challenges, including reduced staff levels, during the Plan year, the Department's housing programs were generally successful in addressing housing needs and priorities. Overall, and in spite of fluctuations in individual program funding and changes in program features, production was generally consistent with actions proposed in the Action Plan. Meeting the rental housing goals remained challenging. Several reasons can be cited:

1. Maintaining the balance between efforts to increase home ownership and the demand for multifamily funding assistance during an extended period of significantly rising housing costs continued to stretch the available resources.

2. The use of the Low Income Housing Tax Credit Program, which has successfully leveraged private resources for the construction or rehabilitation of rental property, is not directly reflected in the units reported on the table. This remains one of the most sought after funding sources for developers specializing in affordable multifamily housing. The bulk of these units are intended for households with incomes below 60% of MFI. However, because of the nature of the reporting for this program, which VHDA administers, individual breakouts were not available for this report. In addition, a growing number of applicants also received additional incentives from the limited (\$500,000) in state low-income housing tax credit provisions that first became available during tax year 2003.
3. Although funds were reserved for projects that would boost production numbers, these units are not counted until the loan closes.

The following are highlights of accomplishments in each of the priority areas:

Expand Rental Housing

For Program Year **2005**, the number of persons served by rental housing programs administered by DHCD, with the inclusion of weatherization and emergency home repair programs, generally approached program goals. As in the previous years, the majority of the beneficiaries fell within the two lowest income categories (0-30% and 31-50 % of median family income); the categories used in the weatherization program did not permit a breakout between these two categories. The state has combined a variety of federal and state resources in the effort to meet its overall goals in this area of need. VHDA continued to support multifamily activities through financing arrangements based on the administration of the State's allocation of federal Low Income Housing Tax Credits, the use of taxable or tax-exempt mortgage revenue bonds, and the availability of state low-income housing tax credits administered by DHCD. Use of the latter incentive increased sharply in the most recent tax year for which complete data is available.

DHCD again met its goals for helping homeless persons and families during the period covered in this report. Program year **2005**, a period characterized by continued favorable economic conditions in metropolitan areas of the state, nonetheless showed an increase in the demand for homeless services over the previous year. In state FY 2005, the federally-funded program had served 9,846 households containing 15,744 persons. In state FY 2006 (PY 2005) this increased to 15,830 households and 29,878 persons. The number of shelter providers and the overall capacity of shelters has increased over time as resources have become available to expand existing facilities or create new ones. Of course, additional shelter providers operate without access to state or federal-funded programs and thus are not fully accounted for.

Besides the activities detailed on the Summary of Housing Accomplishments Table, the continued operations of the State-funded SHARE Homeless Intervention Program have provided either rental assistance, security deposits, or mortgage payment assistance to 1,419 households (representing 3,859 persons) in state FY 2006, down from the previous year and somewhat below the initial count of 1,581 renter or owner households when the program began. This program prevented individuals and families from losing shelter in the first place or worked to shorten the time during which a household was homeless. This not only benefited the individual households but also helped lessen the existing demand for shelter facilities that receive assistance from DHCD's other homeless programs. During the term of the previous Consolidated Plan and the initial year of the current Plan, DHCD steadily expanded the geographic area served by the HIP program and the number of individuals and families served so that it is now effectively a statewide program.

Expand Stock . . . Populations Requiring Supportive Services

Federal resources available through DHCD to populations requiring a supportive service component with the provision of housing assistance fluctuated during this period. However, the State continued to provide \$500,000 in general funds for the Child Services Coordinator Grant (CSGC) as well as additional funding of \$300,000 through the Virginia Department of Social Services for Child Care for Homeless Children (CCHCP) Program in state FY 2006. I

Support Home Ownership Opportunities

Overall, homeownership programs met expectations, continuing a trend initially noted during **2000-2002**. Owner units also received assistance through a variety of programs including home ownership assistance, emergency repairs, weatherization, rehabilitation, and indoor plumbing. In part, this continued the previous trend toward stimulating greater home ownership; it also reflects the streamlining and expansion of service delivery for the renovation of existing owner-occupied units.

In program year **2005**, a total of 384 first-time homebuyers received direct assistance through the HOME funded homeownership activities. This compared to 229, 213, 216, 254 and 585 from program years **2000-2004**. Despite the decline from the previous year, the number of units was very close to the 400-unit Action Plan goal. It has succeeded in meeting its objectives including: the creation of regional partnerships, the increased capacity of smaller nonprofit organizations, and better targeting of the funds to under served areas and populations. The ability to reach the goal suggests that the state and local program infrastructure has the capacity needed to meet future goals for affordable single-family opportunities for first-time homebuyers.

Altogether, during the reporting period well over 1000 homeowner units received assistance through the Emergency Home Repair Program, the Indoor Plumbing Rehabilitation Loan Program (IPR), or the Weatherization Program.

The breakout of units served by the larger programs continued the trend of the previous year, although the production levels associated with the IPR program, fell to 102 units, reflecting a lower level of actual HOME fund use than in some earlier Plan years.

Increase the Number of Housing Providers . . . Expand Capacity

As the challenges facing the affordable housing industry continue to grow, meeting the growing need for effective and productive housing organizations with skilled staff and boards that can move the affordable housing agenda forward remains a concern. Strong and viable housing organizations will be those who are technologically, fiscally, politically, and organizationally prepared for the pressures of struggling for organizational success. Toward meeting that challenge, the Department of Housing and Community Development has continued to develop and invest funding, training, and technical assistance resources into Virginia's communities through newly emerging as well as well-established housing providers. During state FY 2006, 26 state-certified CHDO's provided coverage to all but a handful of localities outside the state's major metro areas.

Develop Partnerships

DHCD continued to work with other state agencies in providing housing and supportive services to lower-income Virginians. The major partnership continues to be with VHDA, the State's housing finance agency. Since completing the 2001 Housing Needs Assessment, the agencies have coordinated their activities much more closely. During the current reporting period, the two agencies cooperated on additional ventures, including providing significant assistance to activities of the Disability Commission and the Community Integration effort that succeeded the Olmstead study. The two agencies continued their partnership on administering tax credit programs, with VHDA having primary responsibility for the LIHTC program, which has become a primary resource for most State-funded multifamily projects. DHCD maintains primary administrative responsibility for the state low-income housing tax credit program, continuing the interactions between the two agencies because the program linkages within the relevant Virginia statutes.

The HOME Down Payment Assistance Program, like its predecessor, requires the coordination of activities at DHCD and VHDA, as well as the participation of at the state, local, and regional partners. These partnerships also include individuals and organizations from the profit-oriented private sectors such as banks, real estate professional, and attorneys.

In addition, DHCD worked closely with members of the non-profit community in developing the organizational structure for the start-up of the new Community Development Financial Institution.

Assist Local Governments Conserve and Improve Housing

DHCD has made program funds available for housing rehabilitation projects and, under appropriate circumstances, housing production. Although, in the case of housing production, CDBG funding is normally limited to the design and construction of on-site improvements, they may be used for housing production costs where a neighborhood based non-profit assumes the primary responsibility for property acquisition, development, and down payment assistance. The CDBG investment in such cases is secured through a forgivable loan passed on to the homeowner.

For the **2005** program year, offers were made to for grantees for straight housing projects, amounting to nearly one-quarter of the resources available through competitive and open submission grants. This was slightly lower than the previous period. Continuing a trend begun during the previous Consolidated Plan, housing has also become a significant component of comprehensive community development proposals. When housing elements of comprehensive projects are included, the percentage of funds offered in state FY 2006 in support of housing projects was above the average over the 22 years since the State assumed administrative responsibility for the program.

Assist Local Governments Improve Neighborhoods

Comprehensive Community Development grants have served as a primary vehicle for the CDBG program to blend housing and non-housing activities to improve neighborhoods in a single package intended to address simultaneously multiple problems within grantee communities. There had been a general upward trend in the both the number of applicants and awards in this category for several years, peaking in 2001 with about 40 percent of program funds allocated to comprehensive projects. The 2003 program year broke this pattern with five successful applicants for comprehensive grants receiving only 17 percent of the available CIG funding. However, **2005**, like the previous year, saw an increase. The 2005 comprehensive grant applicants accounted for more than one quarter of the available CIG funding. The scope of these individual projects requires the commitment of extensive funds to be successful. The multiple activities and extended completion times that may be associated with the multi-year funding commitments for some grants add to their administrative complexity and may extend the period required to attain their maximum LMI benefit levels.

Assist Local Governments Increase Business and Employment Opportunities

The economic development grants awarded during the **2005** competitive funding round accounted a slightly higher percentage of CIG funds awarded to economic development projects than in the previous program year (21.5 versus 17.5 percent). It was still somewhat below the ten-year average. Both the number of grants awarded and the percentage of available funds for economic development grants have recently been fluctuating significantly on a year-to-year

basis during the current decade

From **1987** through the **2005** program year, CDBG economic development activities assisted 223 businesses, including 28 micro-enterprises. Nearly two-thirds of the 14,638 jobs associated with these grants benefited low-income persons. With the exception of the micro-enterprises, all these jobs were associated with commercial and industrial infrastructure projects. These grants have continued to serve as an effective means for enhancing competitive economic environments within eligible Virginia localities.

Competitive grant awards made during the completed year identified at 283 jobs to be created, of which at least 177 are expected to be LMI.

Assist Local Governments Improve Community Facilities

These projects generally address critical community infrastructure needs, primarily water supply and sewage handling facilities, and have enhanced efforts to reduce the number of homes that continue to lack complete or adequate indoor plumbing facilities. In 2005 ten grants totaling over \$11.1 million joined four grants from **2004** totaling over \$2.2 million, eight grants from **2003** totaling \$5.8 million, four **2002** grants representing \$2.8 million, nine **2001** grants of approximately \$5.1, and ten **2000** grants of approximately \$4.0 million in addressing these areas of need. From program year **1987-2005**, 747 community facilities projects, mostly street, drainage, sewer, and water improvements have been initiated. Of these, 678 had been completed by the end of the most recent program year. Often, these grants represented the most economical means for the community to replace, upgrade, or establish essential infrastructure. Descriptions of the newly funded projects in this and other categories are included in Appendix G.

Assist Local Governments Improve Community Service Facilities

During the **2005** program year, DHCD made two awards for community service facilities, amounting to less than 5 percent of the available funding. This was well below the funds awarded in this category in the two previous program years but inline with the long-term average.

Other Issues

As noted in the previous year's CAPER and CDBG PER, DHCD is aware of fluctuations in the LMI benefit attributable to projects funded through the CDBG Program. To some extent, this reflects the continuing impact of grant awards for planning and community improvement directed at meeting the objective for the removal of slums and blight. Grants that have focused on job creation have sometimes carried lower LMI benefits. In each case, at their outset many of these projects tend to have LMI benefits lower than comparable housing or community facility projects. By close-out, however, many projects demonstrate LMI benefits in excess of those originally proposed. To assure that

benefit requirements continue to be satisfied, the Department stresses the importance of sub recipients recognizing the importance of addressing the needs of low- and moderate-income residents. The competitive selection process and program requirements encourage eligible localities to design projects with the benefit to LMI persons as a primary characteristic.

DHCD has also recognized the need to accelerate the pace of subrecipients moving forward with their projects—which in turn affects the rate at program draw-downs from each successive cycle of grants. The Department has created an incentive for grantees to demonstrate progress. A 10% administrative bonus, over and above the limits for each project type, is available to Comprehensive, Downtown and Housing Rehabilitation projects completed within the original contract period.

These bonuses are only available at the end of the project following the completion of **all** activities. Completion of a project is defined as having all work 100%complete at the original termination date of the contract. In projects where housing rehabilitation and/or façade improvements are a component, the housing/façade program must be complete with no more work scheduled and no more demand for work to be done. In such cases, 90% of all housing/façade work must be complete in order for the locality to claim the project is complete and therefore access the administrative bonus. The funds may only be used on eligible CDBG administrative or construction cost items.

Part II. CDBG Program Narrative

A. Assessment of CDBG Fund Use

DHCD directed 2005 federal program year funds toward a wide and varied array of needs that are consistent with the CDBG program's overall program objectives and also reflect the specific needs of Virginia localities for improved housing, public facilities, public service facilities, economic development, and comprehensive redevelopment. In addition to the housing priorities included in the Action Plan, DHCD included five priorities and associated strategies for its CDBG program that address community development needs other than those related to housing:

Priority	Strategies	Accomplishments
To assist local governments in increasing business and employment opportunities through economic development programs:	<p>Provide financial and technical support for the acquisition, development, rehabilitation, or expansion of business and industrial sites and facilities resulting in raising wage levels, retaining existing jobs, generating new jobs and employment opportunities, generating long-term employment, diversifying and expanding local tax bases and economies, and reducing the out-commuting of workers and out-migration of residents.</p> <p>Provide financial and technical support for the acquisition, development, and revitalization of commercial districts resulting in increasing retail sales and property values in stagnating or declining commercial districts, retaining existing businesses, increasing the opportunities for small businesses in commercial districts, retaining existing jobs, and strengthening local tax bases.</p> <p>Provide financial and technical support for the development of entrepreneurial assistance programs including micro-enterprise assistance, business incubators, and similar efforts to result in creating assets among low-income persons, increasing employment opportunities, reducing unemployment, increasing wage levels, generating new jobs, generating long-term employment, and diversifying and expanding local tax bases.</p>	Forty-two (42) businesses received assistance during the period and, through new and ongoing economic development projects, 183 LMI individuals were assisted through new or retained jobs.
To assist local governments in improving neighbor-hoods and other areas through comprehensive community development programs:	Provide financial and technical support for the comprehensive improvement of residential areas resulting in revitalized neighborhoods including improved housing, water, sewer, road, and drainage conditions.	See below.
To assist local governments in improving the availability and adequacy of community facilities:	<p>Provide financial and technical support for acquisition of sites or rights-of-way for community facilities such as water, sewer, drainage, and streets resulting in basic facilities in areas where they are lacking.</p> <p>Provide financial and technical support for the installation, rehabilitation, or improvement of community facilities such as water, sewer, drainage, and streets resulting in basic facilities in areas where they are lacking, improving the quality of inadequate community facilities, enhancing the development potential of communities, and eliminating conditions detrimental to health, safety, and public welfare.</p>	CDBG-eligible communities have given a high priority to the areas of street, sewer and water, and commercial and industrial infrastructure. During the second year of this Consolidated Plan, grantees completed 25 sewer and water projects, 2 flood or drainage improvements, 5 street improvements and 5 sidewalk improvement,

Priority	Strategies	Accomplishments
To assist local governments in improving the availability and adequacy of community service facilities:	<p>Provide financial and technical support for the acquisition of sites and/or structures for community services facilities <i>resulting in new or expanded community services.</i></p> <p>Provide financial and technical support for the construction, rehabilitation, or improvement of community service facilities <i>to result in developing new structures, or rehabilitating or improving existing structures for the provision of new or expanded community services.</i></p>	Eight projects in this category were completed during the program year—including one senior center, one youth center, two neighborhood facilities, 1 recreational facility, 2 health facilities and one facility for the abused or neglected.
To assist local governments in conserving and improving housing conditions:	<p>Provide financial and technical support for housing rehabilitation <i>to result in reducing substandard housing conditions, conserving local housing stocks, stabilizing declining neighborhoods, promoting homeownership options, improving standards of living, and enhancing the attractiveness of the community.</i></p> <p>Provide financial and technical support for acquisition and improvement of sites and/or facilities for low- and moderate-income housing <i>to result in reducing the number of Virginia citizens in substandard housing, increasing the supply of housing, improving local standards of living, expanding housing opportunities, improving the quality of public facilities serving low- and moderate-income housing, and providing or improving basic public facilities serving low- and moderate-income housing.</i></p>	Housing rehabilitation and other housing related activities, which eligible localities also identified as high priorities, improved the circumstances of 861 households (99.4 % low or moderate income) and 215 low or moderate income persons.

B. Changes in Program Objectives

There were no substantive amendments to the Consolidated Plan for the CDBG program priorities and objectives during the program year; however, the 2005 program design included several administrative changes.

- DHCD eliminated the Disaster Recovery Fund that had been included in the previous year's plan following a particularly active hurricane and flood season in calendar year 2004.
- DHCD eliminated the temporary set-aside for the Lead-Based Paint Demonstration Fund that it established in conjunction with the startup of the Department's new lead hazard grant. This fund was open from January 5, 2004 to September 30, 2004.
- DHCD raised the maximum per household limit for the Construction-Ready Water and Sewer Fund from \$5,000 to \$7,500 for construction projects providing new water and/or sewer service for communities whose proposed project area is made up of at least 65% LMI households.
- DHCD modified the Community Economic Development Fund. The new requirements included the following provisions:
 - Businesses must provide a post-probationary wage of at least 1.5 times the minimum wage for 90 percent of all new employees and **provide** an employment benefits package that includes, at a minimum, basic medical coverage and insurance, to all employees. The post-probationary period must not exceed a six months.
 - Local financial participation must total at **least 25 percent** of the eligible CDBG costs. Administrative costs may not be included as part of the local financial participation.
 - Several localities have shifted from one category to another under the Community Economic Development Fund following analysis of the latest available poverty, unemployment, and income data.
- Localities in a position to apply for the Urgent Need / Open Submission could now, at DHCD's discretion, be granted a temporary waiver of the \$2.5 million cap limit.
- DHCD made several changes to details of the Competitive Economic Development category:

- Development Readiness projects must accomplish full recovery of funds within two years of the completion of construction activities, regardless of the level of competitiveness or distress for each locality.
- Business District Revitalization projects require that localities enact and enforce an ordinance to be effective for a minimum of ten years that requires all buildings improvements from the time of the grant forward to be done in a manner consistent with established design guidelines. Once in effect, DHCD will fund development of design guidelines. DHCD will allow up to \$15,000 or 5% of the CDBG-funded construction budget for façade improvements, whichever is less, to be used to develop design guidelines for the downtown district.
- The locality must state that if the property owner will not participate in a façade program, at least minimal improvements (such as painting) must be made.
- The locality must commit to a redevelopment plan giving the locality the authority to take and condemn blighted properties if the property owners do not commit to participate.
- DHCD modified several provisions of the Housing Rehabilitation category:
 - CDBG funds cannot be used to rehab Section 8 or tax credit properties.
 - An underwriting process will be necessary for tax credit projects. All tax credit projects must have rents at or below the established Fair Market Rent.
 - Applicants may use up to \$25,000 or \$30,000 of CDBG funding to rehabilitate eligible housing units.
- DHCD increased administrative limits for various categories of competitive grants:
 - Competitive Grant Business District Revitalization: \$80,000 maximum
 - Community Economic Development Fund and Competitive Economic Development:: \$50,000 maximum
 - Competitive Housing: \$80,000 maximum
 - Competitive Two-Activity Comprehensive: \$80,000 maximum
 - Competitive Three-Activity Comprehensive: \$100,000 maximum

- DHCD increased the project limit for each Local Innovation Program to \$200,000.

C. Grantee Efforts in Carrying Out Plans

The state regularly monitors the progress of projects undertaken by its grantees. In the event that a grantee cannot complete a project as anticipated, then program funds can be reprogrammed to support other eligible projects or activities. Projects undertaken or completed during the reporting period are performed in accordance with the applicable Action Plan.

The state pursued all the resources included in its Action Plan for the program year, including CDBG, HOME, HOPWA, and ESG as well as other federal and state sources, including Department of Energy weatherization funds, Low Income Home Energy Assistance funds, Appalachian Regional Commission programs, available tax credits, and appropriated state general funds.

As the Agency responsible for the Consolidated Plan covering nonentitlement communities within Virginia, DHCD annually reviews requests for certification of consistency with the Consolidated Plan, providing them to more than two dozen applicants seeking funding for a variety of competitive grants available through the 2006 Super NOFA. In addition, the agency has provided requested certifications of consistency for the annual and five-year plans of small public housing authorities lying within the area subject to the state's consolidated plan.

D. Meeting National Objectives

The State, through its allocation of CDBG funding to local grantees, has met the national objectives and complied with the overall benefit requirements for the program year as with previous program years. Because an essential criterion governing this program is that benefits primarily reach persons with low- and moderate-incomes, DHCD has consistently sought to assure that they remain well above the minimum threshold. As the accompanying tables illustrate, for the 2005 program year, as in the two decades, the majority of all benefits have accrued to the target population. The percentage benefits from the most recent years may be expected to change—generally showing an increase—as additional projects are closed out.

CDBG LMI Benefits, 1984-1994 Program Years

Program Year	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
% LMI Benefit	96.8	100	100	100	100	100	100	98.9	99.3	99.3	98.6

CDBG LMI Benefits, 1995-2004 Program Years

Program Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
% LMI Benefit	91.5	91.1	93.9	92.5	73.8	79.1	88.4	90.6	95.8	78.6	76.0

E. Activities Involving Occupied Real Property—Anti-Displacement and Relocation

DHCD's efforts to minimize displacement focus on securing the commitment of grantee localities to minimize the displacement of individuals, families, and businesses in implementing projects using state-administered CDBG funds. This includes direct displacement resulting from real property acquisition, rehabilitation, demolition, and conversion and any indirect displacement. In general, except in instances of disaster recovery operations, relocation has been associated with homeownership activities where households or individuals occupy units whose condition fails to meet Section 8 housing quality standards. If displacement is necessary, then agency personnel work with the local grantee to assure that proper notice is provided to the affected parties in accordance with Section 104(d) of the Community Development Act and the federal Uniform Relocation Assistance and Real Property Acquisitions Policies Act.

Localities seeking Community Improvement Grant funding must certify that they will minimize displacement at the local level and that they will follow a Residential Anti-displacement and Relocation Assistance Plan that includes a one-for-one replacement provision. Each recipient of Community Improvement Grant funding must provide financial benefits and advisory services on an equitable basis to any individual or entity involuntarily and permanently displaced because of a CDBG-assisted activity.

There were no permanent relocation during the most recent program year; however, there were several temporary relocations related to housing rehabilitation activities.

F. Economic Development Activities with CDBG Funds—Low/Moderate Income Job Activities

As the responsible agency, DHCD works to assure that economic development projects funded through the state-administered CDBG program meet targeted levels for low- and moderate-income job opportunities. Federal regulations permit potential grantees to use one of two approaches to meet their LMI benefit obligation. The first option is to employ LMI persons in at least 51 percent of the available positions. Under this option, the locality or assisted business will retain documentation of the income status of employees. The second option is to establish procedures to ensure that LMI persons will receive first consideration for employment. Under this option, the job qualifications must be limited to possession of a high school diploma or its equivalent. No special training should

be required. A third party single point of contact for application screening, such as the Virginia Employment Commission, is typically used. This contact will maintain all LMI documentation. The employer must hire only those persons screened by this third party.

In addition, the required job creation must occur within two years of the date of completion of the private investment, while the private investment must be completed within two years of the commencement of the CDBG-funded grant agreement. All of the job creation requirements are incorporated into a formal agreement between the agency and the grantee. Businesses failing to meet the job requirements are subject to a non-performance penalty contained in these agreements.

During the most recent fiscal year, DHCD closed out six grants in which job creation was one of the elements of the project. The grants created 283 jobs, of which 62 percent were to meet LMI criteria. According to information contained in the closeout reports for the affected grants, the total number of jobs created and the LMI jobs created exceeded the amount contained in the original proposals for the closed out projects.

G. Low/Moderate Income Clientele Activities

DHCD also attempts to assure that the State's distribution of program funds remains consistent with national program objectives and the priority objectives identified in the Consolidated Plan, the Action Plan, and the CDBG program design. The following table summarizes the overall distribution of funds for the years since 1995.

Percentage Distribution of CDBG CIG Funds by State Objective and Program Year

Objective	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Comprehensive Community Development*	31.0	14.9	19.7	23.6	36.18	31.95	40.80	20.77	17.26	28.90	26.48
Economic Development	20.0	36.9	32.5	29.8	28.83	34.94	9.38	24.68	17.95	17.49	21.40
Housing	21.0	25.0	18.4	18.3	15.36	7.11	13.30	26.86	21.17	27.12	23.25
Community Facilities	25.0	23.2	22.7	24.9	16.42	20.05	32.15	14.36	33.02	14.57	26.09
Community Services Facilities	2.0	0.0	6.7	3.4	3.20	6.36	4.37	13.33	10.61	11.92	2.78

*Comprehensive Community Development Projects include housing rehabilitation as well as public facility components.

To the degree that the applications received by the Department make it possible, DHCD attempts to meet the needs identified through its planning and public participation processes. Shifts in the pattern of distribution among priority objectives do not reflect the state's preference for one priority over another; instead, they mark the changing perceptions of grant applicants responding to local community needs. Changes in regional or local economic conditions, shifting demographics, or the effects of significant weather-related disasters may affect the pattern. The variety of funded projects has helped Virginia's localities respond to the need for improvements in their economic and physical environments, reduce the incidence of blight, and respond to a variety of differing threats to the health, safety, and welfare of citizens.

H. Program Income Received

During State FY 2006, DHCD received program income from the grants listed on the table below by grantee, category of activity, date received, and amount.

Grantee	Category	Date	Amount Received
Stafford County DW-36, Active Program Income	Dry Well	8/18/05	\$875.07
Franklin County 01-17, Active Program Income	Housing Rehabilitation	8/18/05	\$1,530.00
Accomack CIG 96-39; Accomack Truss Tech, Inc.	Economic Development	9/1/05	\$3,100.01
Accomack CIG 96-39; Accomack Truss Tech, Inc.	Economic Development	11/14/05	\$ 3,098.71
Shenandoah Town 00-22, Active Program Income	Economic Development	1/18/06	\$19,093.86
Henry County 01-37, Active Program Income	Housing Rehabilitation	2/24/06	\$1,512.87
Henry County 01-37, Active Program Income	Housing Rehabilitation	2/28/06	\$3.00
Total			\$29,213.52

I. Prior Period Adjustments

Activity Name and Number	Program Year Reported	Amount returned to LOC or Program Account	Total amount and time period
Chincoteague Town, Entrepreneur Development, 01-14, IDIS #5302	2005	\$10,000 moved to CDBG 04-12, IDIS #8390 on August 18, 2005.	Reimbursement Completed

Activity Name and Number	Program Year Reported	Amount returned to LOC or Program Account	Total amount and time period
Rural Retreat Town, Water, 03-41, IDIS #7454	2005	\$4,989.39 moved to CDBG 04-12, IDIS #8390 on August 18, 2005.	Reimbursement Completed
Amherst County, Single Family Rehabilitation, 01-09, IDIS #5887	2005	\$1447.21 moved to CDBG 04-33, IDIS #8530 on November 14, 2005.	Reimbursement Completed
Exmore Town, Acquisition, 00-09, IDIS #5217	2005	\$9,000 moved to CDBG 04-PG-06, IDIS #8758 on November 22, 2005.	Reimbursement Completed
Henry County, Single Family Rehabilitation, 01-37, IDIS #5875	2005	\$61,749.31 moved to CDBG 03-16, IDIS #7703 on February 24, 2006.	Reimbursement Completed
Columbia Town, Single Family Rehabilitation, 02-11, IDIS #6242	2005	\$42,250.00 moved to CDBG 04-53, IDIS #8463 on May 15, 2006.	Reimbursement Completed
Columbia Town, Administration, 02-11, IDIS #6236	2005	\$211.62 moved to CDBG 05-PG-03, IDIS #8456 on May 15, 2006.	Reimbursement Completed

In addition, DHCD received \$23,040.64 from the Town of Boykins, Grant # 95-25), which had been held in escrow for relocation payments. The Town of could not disburse the funds for various reasons. The funds were not drawdown from the IDIS system so an internal adjustment could not be made. HUD instructed us to return the funds and advised that they would be returned to our letter of credit. We were subsequently notified that the funds would not be returned to DHCD because of the age of the appropriation that the funds originated from.

J. Loans and Other Receivables

There are no float funded activities at present. There is currently one outstanding loan with Accomack Truss-Tech, Inc., with a principal balance of \$123,138.23.

K. Lump Sum Agreements

DHCD has not entered into any lump-sum agreements.

L. Housing Rehabilitation

The primary statewide housing rehabilitation program, Indoor Plumbing Rehabilitation (IPR), combines federal HOME and state general fund monies to support the provision of indoor plumbing facilities and other housing improvements in eligible areas of the state.

M. Neighborhood Revitalization Strategies

N/A

The tables in Appendix G summarize the competitive grants awarded funding from the 2005 round.

Tables in the following pages of the report summarize the achievements in non-housing areas based on the closeout process. Substantial additional information on specific projects and overall performance is contained in the Performance Evaluation Report (PER), which DHCD's Community Development Division prepares and which is available for public review and comment. This document contains more detailed presentations of the financial status of the previous years' grants, including amounts obligated by contract or offer and any amounts remaining unobligated at the close of the reporting period.

**Summary of Community Development Accomplishments
for Public Facilities and Improvements
Commonwealth of Virginia 1987 Through 2005 Program Years**

Priority Need Category	Priority	Actual Number of Projects Assisted 1987-2002	Actual Number of Projects Completed 1987-2002	Actual Number of Projects Assisted					Actual Number of Projects Completed in				
				2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
Public Facilities	H												
Senior Centers		6	6								1		
Handicapped Centers		3	3										
Homeless Centers													
Youth Centers	H	2							1				
Neighborhood Facilities	H	10	4	2		2			1		2		
Child Care Centers	M	1	1	1	1	1			1				
Parks and/or Recreation Facilities	M	4	4	1	1	1			1	1	1		
Health Facilities	H	9	5	1	2				1	3	2		
Parking Facilities	L				3								
Abused/Neglect Facilities		1	1								1		
AIDS Facilities													
Other Public Facilities	M	9	6		3	1				3	2		
Public Improvements													
Solid Waste Improvements	M												
Flood/Drainage Improvements	M	73	69	4	4	7			7	4	2		
Street Improvements	H	168	160	21	32	9			16	18	5		
Sidewalk Improvements		6	2	4	4	1			4	1	5		

Priority Need Category	Priority	Actual Number of Projects Assisted 1987-2002	Actual Number of Projects Completed 1987-2002	Actual Number of Projects Assisted					Actual Number of Projects Completed in				
				2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
Sewer and Water Improvements	H	414	299	65	80	106			30	41	25		
Asbestos Removal													
Other Infrastructure													

**Summary of Community Development Accomplishments
for Economic Development
Commonwealth of Virginia 1987-2005 Program Years**

Priority Need Category	Priority	Actual Number of Businesses Assisted 1987-2002	Actual Number of Persons Assisted with Jobs 1987-2002	Actual Number of LI Persons Assisted with Jobs 1987-2002	Actual Number of MI Persons Assisted with Jobs 1987-2002	Actual Number of Businesses Assisted 2003	Actual Number of Persons Assisted with Jobs 2003	Actual Number of LI Persons Assisted with Jobs 2003	Actual Number of MI Persons Assisted with Jobs 2003
Economic Development	M								
Commercial/Industrial Rehab	M	5	1,296	936					
Commercial/Industrial Infrastructure	H	109	12,154	7,893		3	634	413	
Other Commercial/Industrial	L								
Micro-Enterprises	M	24	9	48		4			
Other Business									
Technical Assistance	M								
Other Economic Development	M	*7				2	29	21	

*

Priority Need Category	Priority	Actual Number of Businesses Assisted 2004	Actual Number of Persons Assisted with Jobs 2004	Actual Number of LI Persons Assisted with Jobs 2004	Actual Number of MI Persons Assisted with Jobs 2004	Actual Number of Businesses Assisted 2005	Actual Number of Persons Assisted with Jobs 2005	Actual Number of LI Persons Assisted with Jobs 2005	Actual Number of MI Persons Assisted with Jobs 2005
Economic Development	M								
Commercial/Industrial Rehab*	M	10				16			
Commercial/Industrial Infrastructure	H	13	166	88		26	283	177	
Other Commercial/Industrial	L								
Micro-Enterprises	M		47	47			6	6	
Other Business									
Technical Assistance	M								
Other Economic Development	M	4	17	13					

*Downtown projects (slum and blight removal) did not include a count of jobs.

III. HOME Funds Narrative

Relationship of HOME Program to the Consolidated Plan

Beginning in Fiscal Year 1996, the Department of Housing and Urban Development required a consolidated planning process for the recipients of HOME Investment Partnership (HOME), Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) formula programs. The Consolidated Plan process replaces the planning, application, and reporting processes associated with the Comprehensive Housing Affordability Strategy (CHAS). The new process envisions that housing and community development planning and programming will be facilitated by a comprehensive approach to identifying and meeting the needs of Virginians by providing increased opportunities for collaboration and cooperation. The programming for the HOME Investment Partnership (HOME) Program is thereby included in an overall plan for the use of federal and state resources directed to housing and community development.

Citizen participation was incorporated in the development of the 2003-2007 Commonwealth of Virginia Consolidated Plan through a series of regional public hearings in which information on local and regional housing and community development needs was solicited and strategies, objectives, and priorities were developed to address these needs. During subsequent program years, the Department has continued to convene regional input sessions and public hearings to identify additional program opportunities for inclusion in each annual Action Plans.

The Virginia Department of Housing and Community Development's HOME activities were governed by the priorities as identified through the consolidated planning process and by following the Virginia Department of Housing and Community Development agency mission statement.

Mission Statement

The Department of Housing and Community Development implements its housing programs through partnerships with local governments, nonprofit housing organizations, private for-profit parties, and other state agencies. In doing so the Department will continue to collaborate with Virginia's communities in developing their full economic potential while creating a healthy, safe and affordable living environment.

In carrying out this mission, the Department of Housing and Community Development advances market-oriented initiatives that expand homeownership, entrepreneurship and other asset development opportunities; encourage grassroots leadership; leverage private sector resources in the delivery of

housing services; remove regulatory barriers to affordable housing; and empower individuals, families, and communities to take control of their own destinies.

Priorities for Assistance

Three priorities (also considered the State's housing goals) governed the State's housing activities in program year 2005:

- **Increasing the availability and affordability of safe, decent, and accessible housing to low and very low-income persons;**
- **Increasing the ability of communities to implement creative responses to community-based needs;**
- **Supporting policy development and research related to significant economic development, community development, and housing issues;**

These priorities address clients assisted under the HOME program and the approach the State uses to deliver housing resources. The use of HOME funds is primarily in the areas of homeownership, although it is also used for the rehabilitation of existing units and to facilitate homeownership with new first-time homebuyers. Other uses include development of affordable multifamily rental units, and organizational as well as technical capacity building with Community Housing Development Organizations (CHDOs).

SERVING CLIENTS - PROGRESS IN PROVIDING AFFORDABLE HOUSING

DHCD has continued to use its available resources, including HOME funds, to provide affordable housing in areas of greatest need for a wide array of activities through existing State housing programs. Resources have been structured to make the project affordable from a development standpoint and provide long-term affordability to tenants and homeowners.

A. AFFORDABLE HOUSING PRESERVATION AND PRODUCTION PROGRAM

DHCD has continued to use the available resources, including HOME funds, for a wide array of activities using existing State housing programs to provide affordable housing in areas of greatest need. The structure of these resources makes projects feasible from a development standpoint while providing long-term affordability for tenants and homeowners. DHCD's Affordable Housing Preservation and Production Program (AHPP) emphasizes targeting rental projects and some single-family homeownership projects that serve lower income households, specifically families and individuals earning at or below 60 percent of the area median income (AMI). The AHPP program also targets projects that have funding gaps between the actual cost and committed resources. Through the AHPP program, DHCD attempts to balance the financial viability of each project with its public purpose. DHCD has also chosen to meet

its mandatory 15% CHDO set-aside funding in accordance with the HOME Program administration requirements through the AHPP program. 15% of the State's HOME grant allocation (\$2,559,924) was restricted to state-certified Community Housing Development Organizations (CHDOs) through the AHPP program. The state plan called for a total of \$4 million in HOME funding to be allocated to the AHPP program.

The AHPP program has targeted smaller, harder-to-develop projects commonly found in rural areas, small towns, or those under development as part of a larger urban revitalization plan. The AHPP program provides flexible, below-market-rate loans to fill the gap in permanent financing for the creation and preservation of affordable housing for lower-income individuals and families. AHPP funds are intended for use with other types of financing including, but not limited to, low-income housing tax credits, bond financing and other public and private funds.

HOME funded units require a minimum \$7,500 per unit HOME investment. Households below 60 % of AMI must occupy all HOME-assisted units with twenty percent of the units set aside for households below 50 % of AMI. DHCD will consider applications from CHDOs certified by the state for projects in HOME and CDBG entitlement communities if there is a local match equal to 25 % of the funds requested through the AHPP.

Projects funded under the AHPP program often require a greater amount of technical assistance from the Department, and may have higher per unit development costs. The Department attempts to balance the financial viability of the project with its public purpose. DHCD has committed the following affordable housing projects this fiscal year. Each of these is a HOME project approved for a commitment of funds and/or closed during the 2006 state fiscal year:

Developer	Project Name	Location	HOME Commitment	# Units
Community Housing Partners	Rappahannock Apartments	Tappahannock	\$240,000	30
Community Housing Partners	Yorktown Square	Yorktown	\$350,000	60
Indian Village LP	Indian Village	Roanoke	\$500,000	24
New Road Community Development Group	New Road Village	Exmore	\$644,000	16
Petersburg Urban Ministries	Shalom Homes II	Petersburg	\$521,528	5
Southside Outreach Group	Sunnybrooke Housing	South Boston	\$500,000	10

Developer	Project Name	Location	HOME Commitment	# Units
	Production II			
Telamon Corp	Parker Farms	Westmoreland County	\$211,000	4
Virginia Supportive Housing	James River Apartments	Richmond	\$501,000	14
TOTALS			\$3,467,528	163

Note that these funds will continue to be committed through 2006. Following is a description of the each of the projects approved for a commitment of funds and/or closed during the 2006 program year:

Rappahannock Apartments

The proposed Rappahannock Apartments Project will create 30-units of affordable housing. The facility will consist of 10 one-bedroom units, and 20 two-bedroom units developed for Essex County's low-income population. The one-bedroom units will have 1 bath with 636 SF of livable area and the two-bedroom units will have 1 baths with 829 SF of livable area ea. The proposed rents for the one-bedroom units' rent will be \$380 per month and the two-bedroom units rents will be \$435 per month. All of the units will be reserved for residents at 50% of AMI or below.

Yorktown Square Apartments

The proposed Yorktown Square Apartments Project will create 60-units of affordable housing. The facility will consist of 16 one-bedroom units, and 44 two-bedroom units developed for York County's low-income population. The one-bedroom units will have 1 bath with 604 SF of livable area and the two-bedroom units will have 1 baths with 844 SF of livable area. The proposed rents for the one-bedroom units' rent will be \$379 per month and the two-bedroom units rents will be \$449 per month. All of the units will be reserved for residents at 50% of AMI or below.

Indian Village Apartments

The proposed Indian Village Apartments Project will create 24-units of affordable housing. The facility will consist of 8 one-bedroom units, and 16 three-bedroom units developed for Roanoke's low-income population. The two-bedroom units will have 1.5 baths with 1075 SF of livable area and the three-bedroom units will have 2 baths with 1400 SF of livable area. The proposed rents for the two-bedroom units' rent will be \$520 per month and the three-bedroom units rents will be \$620 per month. All of the units will be reserved for residents at 50% of AMI or below.

New Road Village

The proposed New Road Village Apartments Project will create 16-units of affordable housing. The facility will consist of 4 three-bedroom units, 8 two-bedroom units and 4 one-bedroom units developed for the Town of Exmore's low-income population. The three-bedroom units will have 2 baths with 1064 square feet of livable area. The two-bedroom units will have 1 bath with 896 square feet of livable area and the one-bedroom units will have one bath and 728 square feet of livable area. Proposed rents will be \$825 per month for the three bedroom units, \$745 for the two-bedroom units and \$625 per month for the one-bedroom units. All of the units will be reserved for residents at 50% of AMI or below.

Shalom Homes II

The proposed Shalom Homes Project will create 5 units of affordable housing for first time homebuyers. The project will consist of 3 three-bedroom units 2 ½ baths, and 2 two-bedroom units with 2 ½ baths developed for western Petersburg low-income population. The three bedroom unit will have a square foot range of 1500 – 1700. All units will be reserved for families with incomes at or below 60% AMI.

Sunny Brooke Housing

The proposed Sunny Brooke Housing Production Project Phase II will create 10 units of affordable housing for first time homebuyers. The project will consist of 10 three-bedroom units 1 ½ bath units developed for South Boston's low-income population. Each unit will have 1056 SFLA with 60% of the units will being reserved for families at or 60% AMI, while the remaining 40% will be reserved for 80% AMI.

Ingleside Farm Project

The Ingleside Farm Project is proposed to create 4 units of affordable housing for migrant farm workers. Each unit will be developed as a single family 3 bedroom units approximately 845 square feet of livable area.

James River Apartments

The proposed James River Apartment Project will create 14 units of affordable housing. The facility will consist of 13 one-bedroom units, 1 two-bedroom units developed for Richmond's low-income population needing accessible housing. The one-bedroom units will have one bath and 550 SFLA. The two-bedroom units will have one bath and 800 SFLA each. The proposed rent for the one-bedroom units will is \$475 per month. The proposed rent for the two-bedroom

unit is \$525 per month. All units will be reserved for families at or below 50% AMI.

INDOOR PLUMBING REHABILITATION PROGRAM

Under its Indoor Plumbing/Rehabilitation Program (IPR), the State improves substandard housing units through general rehabilitation and addressing plumbing needs. This program primarily services households at or below 30% and 50% of AMI. These are primarily at improvements in owner-occupied units. In addition to the investment of HOME funds, the state of Virginia invests significant amount of general revenue funds on this activity. IPR provides forgivable loans with 0 percent interest to low- and moderate-income homeowners of substandard housing where indoor plumbing does not exist or where major indoor plumbing components are missing. The program also provides for the general rehabilitation of these units, for accessibility improvements to units occupied by persons with disabilities, or additional space where overcrowded conditions exist. The program is available within localities that are not HOME and CDBG entitlement communities.

DHCD contracts with sub-recipients (local governments, non-profit housing providers, planning district commissions and housing authorities) to administer the IPR Program. Each eligible local government has one annual opportunity to designate a sub-recipient to carry out the IPR program within its jurisdiction. The sub-recipient has direct ties to the community through a local housing rehabilitation advisory board. Each beneficiary household receives training in house maintenance, cleaning and budgeting

DHCD allocates funds to each eligible locality using a formula based on population, per capita income, households lacking indoor plumbing, and overcrowding. The balance of the funds remain in an incentive fund. Once a locality has obligated its allocation, that locality's sub-recipient may return to the incentive fund for additional funding.

January 1 is the program funding cut-off. If a locality's funding allocation has not been committed or if no sub-recipient has been identified that portion of the funding reverts to the incentive pool and other sub-recipients may be drawn from it.

In state FY 2005, 102 units were assisted throughout Virginia, in part using \$5 million in HOME Investment Partnership funds.

HOMEOWNERSHIP DOWN PAYMENT ASSISTANCE PROGRAM

The HOMEownership Down Payment Assistance Program, formerly the down payment assistance portion of the combined DHCD/VHDA Single Family Regional Loan Fund, operates through local partnerships with governmental entities, nonprofit housing service providers, and mortgage lenders across the

Commonwealth. The program operates through a network of grant administrators who offer housing counseling and pre-qualification screening for eligibility on a first-come, first-served basis to address regions of the state targeting homebuyers with incomes at or below 60% of the Area Median Income (AMI). DHCD solicited administrators for the state fiscal year 2006 (2005 HUD Program Year). The program structure promotes equitable access to HOME funds by both entitlement and non-entitlement communities based on income and credit criteria. (There is an expectation that organizations in entitlement communities are also serving those within non-entitlement areas).

The HOMEownership Down Payment Assistance Program (HOME) is a flexible gap-financing program that provides opportunities for first time homebuyers to obtain homes that are decent, safe and accessible. The long-term goal is sustainable housing and growth in personal wealth and equity for low-income Virginians. Administrators who are selected to administer the HOME program funds for DHCD must demonstrate a program of assistance that provides a mechanism to qualify eligible homebuyers based on actual financial need, on a first-come, first-served basis. Administrators are encouraged to collaborate with other local sources such as housing assistance waiting lists, other housing program grantees and administrators, social service agencies, area agencies on aging, and local building and fire officials to determine target populations.

Administrative requirements for the HOMEownership Down Payment Assistance Program follow the established guidelines specified in the HOME Final Rule. The cost limit for assistance is up to 10% of the sales price of the assisted property for down payment. In addition, the Administrator may provide an additional \$2,500 in HOME subsidy to cover eligible closing costs not adequately paid by the seller. Localities of the state which have been designated as "high cost areas" (listed below this paragraph) may provide "up to" 20% of the sales price as the need demands. In addition, targeted areas of the state have been designated by the IRS as Chronically Economically Depressed census tracts and will be considered for assistance up to 20%. Applicants are awarded an administrative fee to help defray their costs to administer the HOME program funds as noted on the Fee Schedule.

High Cost /Chronically Economically Depressed Virginia Localities:

Counties		Cities
Albemarle	Loudon	Alexandria
Allegany	Madison	Charlottesville
Arlington	Montgomery	Falls Church
Bath	Nelson	Fredericksburg
Bland	Orange	Manassas
Buchanan	Page	Salem

Counties		Cities
Carroll	Prince William	Winchester
Clark	Pulaski	
Craig	Rockingham	Communities
Culpeper	Russell	Annandale
Dickenson	Scott	Herndon
Fairfax	Shenandoah	McLean
Fauquier	Smyth	
Floyd	Spotsylvania	
Frederick	Stafford	
Giles	Tazewell	
Grayson	Warren	
Highland	Wise	
King George	Wythe	
Lee		

Deferred home loans through the HOME Investment Partnership Fund have provided assistance to 349 families or buyers with affordable mortgages in state FY 2006.

HOME MATCH FOR THE SUPPORTIVE HOUSING PROGRAM

The Home Investment Partnerships Matching Funds Program provides the required match for projects funded through the HUD's Supportive Housing Program. These funds have been set aside to increase the availability of affordable housing to the formerly homeless and its subpopulations. Eligible recipients are those grantees who have been awarded competitive Supportive Housing Program funds for acquisition, rehabilitation, and/or new construction of units to be utilized for transitional housing, permanent supportive housing to the disabled, or to create innovative homeownership opportunities. All funds offered under this program are in the form of interest free, forgivable loans. The Supportive Housing Program (SHP) is one of the McKinney-Vento Homeless Assistance Act programs designed to move homeless persons from streets and shelters to permanent housing and maximum self-sufficiency. A person must be homeless in order to receive assistance under SHP. Applicants identify their target population in the initial application. This application is incorporated into the grant agreement and, therefore, guides implementation of the grant. Significant changes to the project require prior HUD approval.

HOME funds may be used as match for Supportive Housing Program projects for facilities to house the homeless. The HOME Match for the Supportive Housing Program offers all or a portion of the required 50% match for the costs

of acquisition, new construction or rehabilitation for supportive housing projects in Virginia that are funded through the Continuum of Care Homeless Assistance/Supportive Housing Program.

Funding priority is given to Supportive Housing Program grantees located outside HOME entitlement jurisdictions and consortiums. If requests are significantly greater than the available funds, projects are evaluated through a competitive process. The priority ranking of the project in the local or regional Continuum of Care is considered.

The Department made \$800,000 available in HOME matching funds for successful Supportive Housing Program projects during state FY2006. Funding priority is given to Supportive Housing Program grantees located outside of the following HOME entitlement jurisdictions and consortiums: Cities of Virginia Beach, Richmond, Arlington, Alexandria, Charlottesville, Chesapeake, Danville, Hampton, Lynchburg, Newport News, Norfolk, Portsmouth, Roanoke, Suffolk, and the Counties of Chesterfield, Fairfax, Henrico and Prince William County. In the event annual requests for matching funds exceed the allocation, DHCD awards match funding to projects most highly ranked within the project priority ranking of the community's Continuum of Care planning document.

DHCD received notification of three HUD Supportive Housing Program awards to Virginia providers receiving awards under HUD's FY 2005 Continuum of Care Program and Virginia's Balance of State application. However, no reservation of funds were set up in HUD's Integrated Disbursement and Information System due to the applicant's not executing SHP agreements with HUD during state FY 2006. The Commonwealth anticipates at least three Supportive Housing project commitments approved with HOME funding in Virginia during state FY 2007.

SHELTER EXPANSION PROGRAM/TRANSITIONAL HOUSING COMPONENT

The SHARE Expansion Program supports the purchase and/or rehabilitation of residential and non-residential properties into emergency shelter or transitional housing facilities. The goal of the SHARE Expansion Program is to increase the capacity of the Commonwealth's shelter stock to accommodate the need for shelter among homeless individuals and families and to encourage the development or continuance of comprehensive self-sufficiency programs. The primary objective of the program is to increase the number of emergency shelter and transitional housing beds to homeless individuals and families in Virginia, emphasizing facilities that offer a comprehensive self-sufficiency program for their residents.

The SHARE Expansion Program (Expansion) receives a general fund appropriation from the Virginia General Assembly administered by the Virginia Department of Housing and Community Development (DHCD). Additional funds

are provided through the HOME Program through appropriations by the U.S. Department of Housing and Urban Development and administered by DHCD.

HOME funds may not be used for Emergency Shelter projects. HOME funds may be used for Transitional Housing Projects. Funds appropriated by the state may be used for Emergency Shelter projects or Transitional housing projects. The Department set aside \$800,000 for assisting the Transitional Housing Projects from which \$200,000 has been committed to the housing projects listed below.

• PEOPLE INC-	THE EMORY TRANSITIONAL HOUSING FACILITY	\$200,000
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B. COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) OPERATING ASSISTANCE

HOME Funds are available through DHCD exclusively for qualified, eligible CHDO projects and operating expenses. If an organization becomes a certified CHDO, it is eligible to take advantage of the HOME funds set-aside just for CHDOs, as well as additional special technical assistance. CHDO set-aside funds provide equity for community-based organizations to undertake projects, build their capacity to serve a broad range of affordable housing needs, and provide guaranteed resources for affordable housing development.

Certified CHDOs or those eligible for DHCD certified can apply for CHDO Development Operating Assistance Funds. These funds provide general operating support to secure the technical assistance, training, and other assets necessary to obtain CHDO Set-Aside funds for the development of an affordable housing project. These funds can also provide general operating support during the development of CHDO Set-Aside funded affordable housing projects. Specifically, this funding is intended to assist organizations that can clearly demonstrate a need for operating support in order to successfully complete a project.

The CHDO Development Operating Assistance Program provided approximately \$50,000 in commitments and expenditures to the following organizations requiring operating support in state FY2006.

• COMMUNITY HOUSING PARTNERS	\$50,000
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C. Private Sector Participation

Over the past few years diminishing state and federal resources for housing activities have created a need to market programs and projects to the private sector. Project loan packages formerly developed with one primary funding source have been replaced by project packages that incorporate private

resources with HOME, CDBG, and Low Income Housing Tax Credits funds. Leveraging HOME funds with other resources and forging partnerships with the private sector fosters community ownership in housing development projects and reflects a more efficient and effective way of carrying out the state's housing activities.

The Low Income Housing Tax Credit Program, administered by VHDA, leverages private resources provided by the syndication of federal tax credits for the construction or rehabilitation of rental properties.

Over the past three years, VHDA has also committed approximately \$ 44 million in below-market-rate financing for first-time homebuyers. In state FY 2006, these funds were used with HOME loans to provide mortgages to first-time homebuyers. THE HOMEownership Down Payment Assistance Program combines HOME funds with these resources in a program administered by private nonprofit organizations with some participation from local governments and regional Planning Districts. In addition, the HOMEownership Down Payment Assistance Program relies on private sector participation from mortgage lenders, realtors, and attorneys. Regional workshops are conducted annually with the regional administrators and local lenders to facilitate their understanding of the program and their participation.

For state FY2006, the following amounts were allocated to the operation of the HOMEownership Down Payment Assistance Program:

VHDA Virginia Housing Fund & SPARC Funds	\$30 million
HOME (including FFFY 2004 and prior year's uncommitted/unused) and ADDI Funds	\$3,415,490

In summary, the majority of HOME funded programs are implemented by the private sector. Indoor Plumbing/Rehabilitation is administered by private nonprofits in partnership with local governments. As noted above, the HOMEownership Down Payment Assistance Program is primarily administered by private nonprofit organizations. Projects assisted under the Affordable Housing Preservation Production Program are owned by both for-profit and nonprofit private sector entities. Projects applying under all HOME programs are evaluated on their ability to leverage the HOME funds and to incorporate the participation of the local government and private sector, as well as the sound financial structure of the project and its ability to meet community needs.

Supporting the Delivery System

Virginia's Community Housing Development Organizations (CHDOs) assisted in furthering a number of the State's priorities that were identified in the Consolidated Plan. Through CHDO activities and projects, rental housing

opportunities and housing development were increased for low- and very low-income persons. These CHDOs worked not only to expand the opportunities for those they serve but also to aid first-time homebuyers in acquiring their own homes.

Additionally, the number of housing providers in some of the underserved areas of the State increased because of DHCD's efforts to certify new CHDOs. As a result of actions taken this fiscal year such as CHDO re-certification, providing CHDO support funding, technical assistance and training sessions, the capacity of CHDO housing providers to deliver decent safe, affordable, appropriate housing was increased in the Commonwealth of Virginia. Certified CHDOs receive certification from a Participating Jurisdiction (PJ) indicating that they meet certain HOME Program requirements and therefore are eligible for HOME funding.

D. Affirmative Marketing

The State remains committed to fair and equal housing opportunity in all of its programs and initiatives. To meet the Affirmative Marketing requirements of the HOME program, project sponsors are required to develop a marketing plan. This plan indicates how the project will be marketed to the target income group required by the funding sources. In addition, all project sponsors are notified of and are required to comply with all applicable federal, State, and local laws prohibiting discrimination in housing.

DHCD requires sponsors to adopt affirmative marketing procedures and requirements. The Department will review draft strategies submitted with the project applications and require sponsors to submit their final or adopted strategies for review and approval before giving its final funding commitment. These procedures and requirements must include the project sponsor's methods for informing all parties of the fair housing laws and policies, requirements and practices that the owner must carry out to assure the widest possible outreach, record keeping requirements, and the method for assessing the marketing strategy.

VHDA provides loan servicing and asset management for all projects funded by the State. The VHDA staff inspects projects annually. Their management review includes verifying that the project has a marketing and resident selection plan that is consistent with all applicable requirements. If not in compliance, they will advise the owner and DHCD. VHDA will alert DHCD to any problems they observe in the implementation of a project's marketing plan and selection criteria.

E. Minority Outreach: Participation by Minorities and Women in HOME-Funded Projects

Minority and women's business enterprise outreach requirements apply to all housing programs operated by DHCD. However, HOME-funded projects are subject to more stringent requirements. Project sponsors are required to take to facilitate participation by women-owned and minority-owned business enterprises. This includes dividing procurement for goods, services, and contracts, where possible, into small segments; establishing delivery schedules to encourage minority and women owned business participation; publishing notices via legal advertisement in regional newspapers of anticipated contracts, services, and procurement; maintaining solicitation lists; giving construction contractors copies of this solicitation list; including goals for women-owned and minority-owned businesses in construction contract documents; and, maintaining a register of all minority-owned and women-owned enterprises actually used.

Sponsors must provide DHCD with contract documents and individual project goals the time that the project sponsor is preparing bid specification packages. Project sponsors are responsible for requiring contractors to submit information on minority and women-owned enterprise. Based on its review of information contained in project completion forms, staff estimates that for the current year participation by minority owned businesses in HOME-funded activities approximates 27.6% of contracts and 6.3% of subcontracts, measured by the number of contracts, or 32.4% of contracts and 5.6% of subcontracts as measured by dollars spent. For women owned enterprises, the participation in HOME-funded activities accounts for approximately 2.6% of contractors and subcontractors combined and about 2.6% of the amount of contracts and 1.8% of subcontracts.

Part III Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

	a.Total	Minority Business Enterprises				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
A. Contracts						
1. Number	58	4	0	12	0	42
2. Dollar Amount	\$1,861,065	\$81,550	0	\$522,350	\$0	\$1,257,165
B. Sub-Contracts						
1. Number	128	1	0	6	1	120
2. Dollar Amount	\$483,192	\$1,250	0	\$24,987	\$875	\$456,080
	a. Total	b. Women Business Enterprises (WBE)	c. Male			
C. Contracts						
1. Number	58	2	56			
2. Dollar Amount	\$1,861,065	\$48,509	\$1,812,556			
B. Sub-Contracts						
1. Number	128	3	125			
2. Dollar Amount	\$483,192	\$8477	\$474,715			

Actions to Improve the Use of MBE/WBE

DHCD has undertaken the following actions to improve the participation of minorities and women or entities owned by women and minorities in HOME-funded activities:

- Announce in how-to-apply workshops the requirement to afford minority business enterprises and women's business enterprises the opportunity to participate in HOME-funded projects.
- Provide information to local administrators on local minority business enterprises and women's business enterprise, where available, or refer them to the Division of Minority Business Enterprises and other sources.
- Add minority business enterprises and women's business enterprises to the Division of Housing mailing list, to ensure they receive information about our programs.
- Provide speakers at minority business enterprise and women's business enterprise trade group gatherings to publicize opportunities associated with DHCD programs.
- Continue to require that efforts to ensure minority business enterprise and women's business enterprise participation are included in grant agreements.

In addition to the specific provisions noted above, the State has recently undertaken a broader effort to assure that small, minority- and women-owned (SWAM) businesses have every opportunity to compete for the Commonwealth's expenditures for goods and services. Executive Order 29, issued at the start of FY 2003, requires each public agency to develop a written plan to facilitate the participation of the target businesses in the procurement process and for each agency to report periodically on its activities. Implementation of the SWAM policies continues.

F. Tenant Assistance and Relocation

Project sponsors and sub recipients are informed during application workshops of the potential for relocation assistance being provided under the Uniform Relocation Act (URA). If projects anticipate relocation, further information is provided regarding notification requirements. If the project received assistance with HOME funds, staff at DHCD reviews all notifications for timeliness in accordance with URA. Notices are provided by the project sponsor for multifamily rental properties and must be provided by the sub recipient in the case of single-family owner-occupied rehab or first-time homebuyer programs.

When displacement is a possibility, the project sponsor must submit a displacement plan. If the displacement plan indicates the need for assistance, the project budget must include sufficient funding to meet the requirements of URA.

Projects funded by the State have resulted in minimal displacement. Much of the multifamily activity is new construction or adaptive re-use of vacant buildings and the first-time homebuyer projects involve new homes and unoccupied homes. In projects involving rehabilitation, work is generally phased in a way that all units are not being rehabilitated at once and tenants occupying units to be rehabilitated are temporarily moved to other units, triggering the need for temporary relocation assistance.

G. HOME Match Federal FY'05 (State FY2006)

The HOME Program requires a 25 percent matching contribution of non-federal funds (less the cost of administration). Components of the HOME Match Report (shown on HUD form 40107-A below) include project data compiled from the state's database for the Homeownership and Indoor Plumbing Programs.

[illegible]

According to information included on the HUD Form 40107-A the form seen below, the state's match liability for the fiscal year was \$4,099,679.25. The state provided a total match of \$5,211,169. The Indoor Plumbing Rehabilitation (IPR) program supplied \$2,880,000 in non-federal cash while the state homeownership program accounted for \$2,331,169 in bond financing.

H. ON-SITE INSPECTIONS OF AFFORDABLE RENTAL HOUSING

DHCD has relied on project inspections conducted in conjunction with VHDA. Virginia's HFA conducted its inspections to verify compliance with requirements related to the use of tax credits or tax-exempt mortgage revenue bond financing. Because of the areas of overlap, DHCD relies on VHDA reports to target potential problems, particularly those related to the physical condition of the properties. DHCD has conducted HQS inspections on projects that were in the later years of the affordability period and used a consultant to monitor the files on at least two projects. During the state FY 2006, DHCD conducted monitoring visits for twelve HOME-funded projects including those monitored by a consultant. These projects included a total 358 units and ranged in size from 5 to 100 units. The monitoring focused on the physical condition of the projects and compliance with the relevant tenant income limitations. Reported conditions ranged from average to excellent with no serious problems noted. Minimal deferred maintenance was noted at one at three sites, although their overall condition was rated as "good". Of the units inspected, 80% were occupied by household at or below 50% AMI; 20% were occupied by households at or below 60% AMI. No units were occupied by families above 60%AMI.

IV. HOPWA Program Information

IV. HOPWA Program Information

This section of the CAPER addresses various aspects of the state's administration of the HOPWA program, including the distribution of funds among those needs included in the Consolidated Plan, the activities carried out by recipients of program funds, and the additional resources that project sponsors used.

A. Grantee and Community Overview

1. Subgrantee Description

Subgrantee (Project Sponsor)	Service Area(s)	Housing Activities	Supportive Services
A. Accomack-Northampton Housing & Redevelopment Corporation	Counties of Accomack and Northampton	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Resource identification Housing counseling
B. Lead agency: Blue Ridge AIDS Support Services, Inc. (BRASS)	Service areas listed for #B1-B4.	Serves as Lead Agency for the AIDS Service Organizations (ASOs) listed #B1-B4. Providing Administrative support, technical assistance and grants writing for the ASOs	<ul style="list-style-type: none"> Resource identification
B1. Appalachian AIDS Coalition, Inc.	Counties of Lee, Scott, Wise, Buchanan, Dickenson, Russell, Tazewell, Washington, Grayson, Smyth, Wythe, Bland and Carroll and Cities of Bristol, Norton, and Galax	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Transportation Food/food bank Support Group
B2. Lynchburg Community Action Group, inc.	Counties of Appomattox, Amherst, Bedford and Campbell and Cities of Lynchburg and Bedford	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Transportation Food/food bank Support Group
B3. Roanoke AIDS Project	Counties of Roanoke, Botetourt, Craig, Alleghany, Montgomery, Pulaski, Giles and Floyd and Cities of Roanoke, Salem, Clifton Forge, Covington and Radford	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Transportation
B4. West Piedmont AIDS Task Force	Counties of Henry, Patrick and Franklin and City of Martinsville	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Transportation Food/food bank Support group
C. Housing Opportunities Made Equal, Inc.	Counties of Mecklenburg, Brunswick, Greenville, Lunenburg, Prince Edward, Nottoway, Amelia and Sussex and the City of Emporia	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Housing counseling Resource identification Transportation Resource identification
D. Lead agency: James Madison University	Service areas listed for #D1-D4.	Administrative support, technical assistance and grants writing for the ASOs participating in the Council.	
D1. AIDS Response Effort, Inc.	Counties of Shenandoah, Page and Frederick and City of Winchester	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Food/food bank Resource identification
D2. AIDS/HIV	Counties of Albemarle, Greene,	<ul style="list-style-type: none"> Short-term rent, utility and mortgage 	<ul style="list-style-type: none"> Case management

Subgrantee (Project Sponsor)	Service Area(s)	Housing Activities	Supportive Services
Services Group	Louisa, Nelson and Fluvanna and the City of Charlottesville	<ul style="list-style-type: none"> payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Resource identification
D3. Fredericksburg Area HIV/AIDS Support Services	Counties of Stafford, Spotsylvania, Caroline, King George, Madison, Fauquier, Orange, Rappahannock, and Culpeper and the Cities of Fredericksburg and Culpeper	<ul style="list-style-type: none"> Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Resource identification
D4. Valley AIDS Network	Counties of Rockingham, Bath, Rockbridge, Augusta, Highland, Page and Shenandoah and the Cities of Buena Vista, Lexington, Staunton, Waynesboro, and Harrisonburg	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Resource identification
E. Piedmont Community Services	Counties of Henry, Patrick and Franklin and City of Martinsville	<ul style="list-style-type: none"> Short-term, emergency rental assistance Project-based rental assistance Housing counseling 	<ul style="list-style-type: none"> Transportation Food/food bank Support group Resource identification Child Care Case Management Substance Abuse Counseling
F. Piedmont Access to Health, Inc.	Counties of Halifax, Pittsylvania and South Boston and the City of Danville	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Nutritional services/supplements Transportation Substance abuse treatment/counseling
G. Scenario, Inc.	Counties of Essex, Middlesex, Lancaster, Richmond, Northumberland and Westmoreland	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Nutritional services/supplements Transportation Substance abuse treatment and counseling

A. The Accomack-Northampton Housing & Redevelopment Corporation (A-NHRC) was formed to assist the private housing production sector to provide safe, decent and affordable housing for low-to-moderate income people, to encourage participation of low-to-moderate income citizens in the housing development process, and to address housing needs not being met by the private sector. A-NHRC is a Community Housing Development Organization (CHDO). A-NHRC collaborates with the Eastern Shore Health District to provide persons living with AIDS/HIV and their families with housing assistance and supportive services.

B. Blue Ridge AIDS Support Services, Inc. (BRASS), the lead agency for the administration of HOPWA funds in Southwest Virginia, is a private, non-profit organization composed of four AIDS Services Organizations (ASOs). Its primary function is to secure and administer grant funds for the greater part of Health Region III. In addition to providing oversight and direction for the ASOs, BRASS determines the amount a client will pay for tenant-based rental assistance and the amount of HOPWA funds that will be paid to the landlord. BRASS issues all checks to the landlords.

B1. The Appalachian AIDS Coalition began in 1989 as a coalition of professionals, organizations and individuals interested in helping people with HIV/AIDS and educating people about HIV/AIDS. The agency works closely with the local health departments.

B2. The Lynchburg Community Action Group, Inc. offers an extensive array of housing programs and services to identify and address the needs low-income people, including, but not limited to, those at risk of homelessness, homeless households, and persons with HIV/AIDS.

B3. RAP, the Roanoke AIDS Project, operates primarily as a volunteer organization providing outreach to the HIV/AIDS community. RAP provides a side array of services: support groups, food pantry, emergency financial assistance, transportation, medical supplies and other related services. Short and long-term housing assistance are provided through HOPWA.

B4. The West Piedmont AIDS Task Force is a non-profit organization established to provide outreach services and support to persons with HIV/AIDS and to serve as an education and prevention resource for the West Piedmont Health District. The Task Force is housed in the Education and Resource Room at Memorial Hospital of Martinsville and Henry County, adjacent to Hospice and Home Health Care. They have a good working relation shop with both organizations as well as with the Piedmont Community Services (PCS). The PCS maintains an apartment in Martinsville for persons with HIV/AIDS.

C. Housing Opportunities Made Equal, Inc. (HOME) is a housing counseling, referral and assistance program concerned with issues of housing discrimination, landlord/tenant relations, pre-purchase counseling, mortgage delinquency and default counseling, emergency rental and mortgage assistance, down payment assistance, assistance with home repairs, and assistance for persons with HIV/AIDS. HOME operates a satellite office in Petersburg to coordinate services in its historically underserved rural service area. HOME also contracts with the Fan Free Clinic to provide emergency financial assistance and case management to clients from the rural service area that come to the Clinic for health-related services.

D. James Madison University – Office of Sponsored Programs assumed lead agency responsibility of HOPWA after the Northwest Council of AIDS Service Organizations, the previous lead agency for the northwest region of ASOs, disbanded March 31, 2003.

D1. AIDS Response Effort, Inc. (ARE) enjoys a collaborative relationship with Valley Health Systems in which it maintains autonomy as an independent ASO and receives office space and assistance with staff salaries, including benefits. This cost-saving arrangement has been described as a model for convenient and efficient service provision by the Virginia Department of Health.

D2. AID/HIV Services Group provides comprehensive services to people with HIV/AIDS. In addition to its client service program, the agency has an active prevention education and outreach program.

D3. Fredericksburg Area HIV/AIDS Support Services (FSHASS) began as an all-volunteer, community-based organization. The non-profit organization occupies office space donated by Mary Washington Hospital in Fredericksburg.

D4. Valley AIDS Network (VAN) provides services through Ryan White Title II funds as well as housing and services with HOPWA funding. VAN covers a large service area in the Shenandoah Valley and has acquired specialized experience in providing services in rural areas.

E. Piedmont Community Services (PCS) provides mental health, mental retardation and substance abuse services, including, but not limited to, counseling, case management, psychosocial rehabilitation day programs, intensive outpatient substance abuse services, twenty-four hour crisis services, psychiatric and mental health support, and prevention and early intervention. A variety of housing assistance services are provided through grants, Medicaid and consumer fees. A housing specialist focuses on two of PCS's apartment buildings in Martinsville. One apartment is set-aside for transitional housing for persons living with HIV/AIDS and their families. Local hotels will be used in emergency situations when the apartment is occupied and an additional need arises. Referrals are made by the West Piedmont AIDS Task Force, as well as through PCS's internal referral channels.

F. Southside AIDS Venture (SAVE), a non-profit organization, provides nutrition counseling and supplements, clothing, case management, emergency food and medicine for clients in addition to tenant based rental assistance and emergency assistance.

G. Scenario, Inc., a non-profit organization, provides assistance for the prevention of eviction, foreclosure and utility disruption, case management, and tenant based rental assistance and emergency assistance.

2. Grant Management Activities and Selection of Subgrantees

Grant management activities are conducted through a review of budgets, a thorough review of back-up documentation submitted with a request for disbursement, telephone and e-mail contact, and on-site monitoring and/or technical assistance visits as needed.

The Department selects subgrantees through a competitive application process. Eligible applicants are nonprofit organizations and governmental housing agencies, including local government housing agencies, public housing

authorities, and governmental health and human service agencies that provide assistance for residential programs. Coordinated regional applications are encouraged to ensure region-wide service coverage. A coordinated application designates a lead agency responsible for overseeing regional administration of HOPWA funds, including serving as fiscal agent.

3. HOPWA Geography and Program Coverage

Currently, the state HOPWA program encompasses 31,749 square miles. Based on the most recently available surveillance data from the Virginia Department of Health (covering the period ending through December 31, 2003), 2,775 persons were residing in one of the ninety-two (92) localities under the state HOPWA program when their first positive HIV antibody test was performed. In 2003, 4,408 persons were residing in one of the localities under the state HOPWA program when they were first diagnosed with AIDS. These statistics are based on the number of cumulative cases of HIV and AIDS reported per locality through 2003, excluding deceased cases.

The Department has divided the state HOPWA program into six geographic service regions: Eastern, Southwest, South Central, Northwest, Eastern Shore, and Middle Peninsula. These regions include all jurisdictions outside of the three HOPWA entitlement jurisdictions of Newport News-Norfolk-Virginia Beach MSA, Richmond-Petersburg MSA, and Washington, DC (Northern Virginia) MSA. The following table shows the regions and cases of HIV and AIDS is attached.

HIV and AIDS Cases by Region and Select Locality as of September 26, 2003

Region	Total HIV Cases	2003 Rate per 100,00	Total AIDS Cases	2003 Rate per 100,000
Southwest	1,200		593	
Danville	111	6.4	43	19.2
Northwest	528		333	
Winchester	56	4.1	36	24.6
Eastern Shore	129		59	
Accomack County	91	12.8	43	15.4
Eastern	84		32	
Southampton County	18	5.7	9	11.5
South Central	387		203	
Mecklenburg County	60	3.1	33	15.4
Middle Peninsula	159		50	
Northumberland County	17	15.7	14	15.7

Housing and Supportive Services Needs of Persons Living With HIV/AIDS

Emergency housing continues to present challenges for persons living with HIV or AIDS. Compared to suburban and urban counterparts, homeless shelters are not as readily accessible in rural areas and those programs available are frequently open only to targeted homeless populations, such as victims of domestic violence or those with a physical or mental handicap. In addition, consumers cannot satisfy programming requirements for employment and/or job training.

Housing needs of persons living with HIV or AIDS often mirror those of the disabled population. Consumers desire to live within close proximity of their primary medical providers and their support networks of family and friends and reside in housing that allows them to maintain maximum independence with access to needed community support systems. Tenants sometimes require accessible dwellings, yet cannot locate such units or afford to construct wheelchair ramps and add interior modifications.

Similarly, in the predominantly rural areas of the state HOPWA program, persons living with HIV and AIDS often struggle with the same housing deficiencies faced by other rural residents. For example, consumers frequently live in substandard living conditions which exacerbate their health conditions, such as lack of indoor plumbing, inadequate heating and cooling, faulty electrical systems and weakened structural elements i.e. roofs and flooring. Due to limited housing affordability, consumers accept these inferior units and other unconventional housing situations, such as doubling-up with acquaintances and renting couches, because they are affordable.

Consumers with fixed incomes of approximately \$600/month are acutely rent burdened paying upwards of 80% of their income on housing expenses, particularly in suburban areas of Northern Virginia with extremely high rents. In addition, subsidized housing programs are closed with waiting lists in excess of three years. Tenant-based rental assistance through the HOPWA program is often the only immediate option for permanent housing stability. Still, administrators have encountered difficulty identifying landlords in the respective service areas willing to work with housing subsidy programs due to the stigma arising from past subsidized housing experiences, conformance with Housing Quality Standards (HQS) inspections and confusion concerning administrative requirements. Finally, due to the substance abuse histories of some consumers, it is imperative that housing be located in appropriate neighborhoods not plagued with crime and drug trafficking, which can encourage substance abuse setbacks.

When the Department participated in the development of an HIV/AIDS Housing Plan, it found through surveys of Virginians living with HIV/AIDS it found that the large majority (72 percent) of respondents were earning less than \$1,000

per month. Nearly one-third were paying more than 50 % of their income for housing. At the same time, about one-quarter reported that their income had to support another person; 18 percent reported that their household included children. Two-thirds remained in the locality where their infection was first diagnosed. These survey respondent also indicated that many other factors other than their HIV status affected their daily lives and to afford and maintain a stable housing status. These included substance abuse, a history of homelessness, criminal histories, and other disabilities.

To assist consumers with residential stability, service providers must complement housing advocacy with supportive services. Some of the supportive services needs of persons living with HIV or AIDS are: case management, including life skills training, budgeting and/or credit counseling; transportation assistance through bus or taxi vouchers, support groups and social activities, legal advocacy, landlord-tenant advocacy, food pantries, substance abuse treatment/intervention programs, and guidance accessing entitlement programs for which they may qualify.

4. Planning and Public Consultations

Subgrantees have been involved with several collaborative efforts as it relates to the servicing of HOPWA eligible clients. The most predominant collaboration is between the Subgrantees and their local Health Departments. The Health Departments provides case management services that are funded through Ryan White. These Health Departments are subcontractors for Ryan White Title II funding and very close coordination assures no overlap of services. Ryan White funds have assisted clients to obtain medical care, medications, diagnostic tests, and nutritional supplements that clients cannot afford. Also, Subgrantees have decreased the transportation expenditures since Ryan White Title II funds also pay for transportation services. In most cases, case managers at the Health Departments monitor transportation funded by Ryan White Title II. These collaborative efforts allow Subgrantees to direct HOPWA funds toward housing needs – Tenant Based Rental Assistance, Emergency Rental Assistance, and utility payments.

5. Collaborative Efforts

Subgrantees work closely with several agencies in their areas. In the Eastern Shore area, Accomack-Northampton Housing and Redevelopment Corporation, serves on the Eastern Shore Health District (ESDHD) Advisory Board. This board consists of broad base representation of local service organizations, government representatives, schools, hospitals, and housing providers. The advisory board was organized under Ryan White. The ESHD HIV/AIDS case manager coordinates services for the clients with other health care providers and human resource agencies. The case manager attends advisory board meetings to discuss the needs of HIV/AIDS clients in an effort to expand and better

coordinate services.

Blue Ridge AIDS Support Services (BRASS), the lead agency for four Subcontractors, also requires their Subcontractors to participate regularly in planning and training activities presented by the Ryan White, Title II Consortium and BRASS, in an effort to provide input and gain a greater understanding of the services provided and planned. Southside AIDS Venture, Inc, (SAVE) another subgrantee, continuously works with other area agencies as a member of the Community Health Coalition. SAVE has incorporated an interagency Advisor Committee as part of its operational plan to insure improved service coordination to the HIV/AIDS community to insure a coordinated service delivery system and smooth referral and transition from one service to another.

B. Project Accomplishment Overview

Project Accomplishment

Providing HIV/AIDS services in rural communities is a challenge due to the heightened sensitivity around confidentiality issues and the cultural differences that exist in rural communities. Despite the challenges, Subgrantees have accomplished a great deal. Thanks to collaborative efforts with the other agencies in the community, Subgrantees have been able to successfully refer clients to other agencies and services within the community creating a reduction. Support groups have been formed by other agencies and referrals are made to those groups. This has all but alleviated the necessity for Subgrantees to direct HOPWA funds for support services, allowing Subgrantees to focus on focusing HOPWA funds directly on housing needs.

Additional information on the performance of the program and its subgrantees may be found on HOPWA tables 1 and 2 in the appendix to this report.

C. Barriers or Trends

In developing the Virginia HIV/AIDS Housing Plan, an analysis of quantitative and qualitative information identified critical issues that affected recommendations relating to the development of the state's plan. These included:

- **Systems Issues.** In every region of the state the efficacy of was a concern. The lack of service system coordination at the institutional level produced dependence on a fragile web of personal relationships. Knowledge of and coordination among mainstream housing resources the Ryan White CARE act and HOPWA was also a concern, as was the lack of regional collaboration among local governments.

- Levels of Community Support. Low levels of community support affected both consumers and service providers. A lack of community support, for whatever reason, can impede efforts to serve persons living with HIV/AIDS as well as others with disabilities or who face homelessness.
- Lack of Rural Resources and Capacity. In rural Virginia, limited funding, organizational capacity, and human resources add another dimension to local efforts to address the primary issues relating to HIV/AIDS and housing.
- General Housing Market Issues: The persistent shortage of permanent affordable housing, subsidized or unsubsidized, is a persistent challenge in most of the state. Unsubsidized affordable rental housing may lack quality and be found in locations that are inappropriate because of crime or lack of access to public transit.
- GAPS in the HIV/AIDS Continuum. Gaps existed to varying degrees in areas such as short-term emergency housing, transitional housing, and housing for persons with higher care needs. Local responses need to be tailored to make the difficult choices among need areas in each community.
- Support Services Gaps. Specific needs vary from community to community and include such serves as mental health treatment, dental care, affordable day care, and bilingual services.
- Transportation. Shortfalls in the availability of transportation facilities can hinder access to housing, support services, medical care, and employment opportunities

As suggested above, the primary barrier faced by most Subgrantees of the state's HOPWA Program is related to the challenge of working in rural communities. There is a heightened sensitivity related to confidentiality. The communities are very close-knit and neighbors know one another more intimately. This coupled with the negative stigma associated with HIV/AIDS, makes service provision in those areas very difficult. In many instances, persons living with HIV/AIDS would prefer to travel 100+ miles into an urban area for medical and other AIDS-related services verses accessing those services in their own areas. This makes identifying the target population very challenging.

Also, a declining local economy can be a major barrier. Many recipients have low fixed incomes, high cost of medicines; high utility bills, high rents, and other bare necessities that cause the income to further dwindle. Competition for housing assistance of any sort remains high. There continue to be long waits for Section 8 Housing in Henry County. In most areas, the local Section 8 program has been closed to new applications. This inhibits Subgrantees the ability to transition clients on Long-term Rental Assistance to Section 8 in a reasonable time.

Subgrantees have noted that medication has enabled many clients to return to a relative healthy state of life, but nonetheless remain "disabled." Subgrantees plan to coordinate with the local Health Departments and their case managers to help these clients return to at least part-time work – if not full-time.

V. Requirements for Grantees Receiving ESG Funds

The Emergency Shelter Grant program was a significant component of the state's overall effort to address a variety of needs of the homeless and for homelessness prevention as previously discussed in the Continuum of Care section. The primary use of the federal funds component was in support to homeless shelter providers through the Shelter Support Services program, which allocated both state and ESG funds to 73 shelter providers across the state.

Provision of Shelter

- In state fiscal year 2006, the SHARE Shelter Support Grant and/or SHARE Federal Shelter Grant funded 5,274 beds. ESG assisted 2,880, or 54.6 percent of the total. Seventy-five shelter providers received assistance through ESG.

Cost of Providing Shelter & Services

- The total costs of providing shelter and supportive services to homeless individuals and families in state FY 2006 was \$46,012,764 including SSG, FSG, financial support from local governments, volunteer hours, and donated goods and services.
- Overall, the SHARE Shelter Support Grant, including \$3,101,411 in Temporary Assistance to Needy Families (TANF) funds, accounted for 12.4% of the total budget for emergency shelter and transitional housing facilities. Without the TANF funds, the SSG accounted for 5.6%.
- The SHARE Federal Shelter Grant component accounted for 3%.
- Local governments provided 26.5% of the total while financial support from of the total budget and volunteer hours and donated goods and services provided 27%. Both SSG and FSG require a dollar-for-dollar match in cash, volunteer hours, or in-kind services.
- The 111 providers of emergency shelter and transitional housing estimated an extra \$13,178,237 to provide additional, expanded and/or enhanced supportive services to better address the needs of the homeless populations currently served. [Note: Twenty of the 111 shelter providers did not provide information related to financial support from local government, volunteer hours, the value of donated goods and services or additional services.]

The shelter providers supported in part by the ESG component addressed two key state strategies for meeting the overall priority of providing additional support and coordinated services for the state's homeless population. These included (1) continuing to provide safe and sanitary emergency shelter that meets basic needs and provides necessary supportive services and (2) increasing the availability of transitional housing facilities and services.

Additional discussion of the use of ESG funds in conjunction with other funding sources in meeting the Consolidated Plan's homeless and homelessness prevention priorities may be found in the "Continuum of Care" section of this report.

ESG requires a one-to-one match on federal funds awarded. The match is derived from DHCD's requirement that all subrecipients of ESG awards provide the necessary match by submitting a budget indicating the amount and source of the match provided. Match sources were generally local funds, state funds, United Way contributions, private donations, volunteer hours and some in kind contributions. The periodic monitoring of ESG subrecipients on a regular basis following departmental procedures ensured continued compliance with federal requirements, including match expenditures of at least \$1,426,476.

APPENDIX A: PUBLIC INPUT INTO THE ANNUAL PERFORMANCE REPORT

The Department followed its Citizen Participation guidelines in providing for public input to the CAPER for Program Year 2005, including advertising announcements on the agency web site and the scheduling a public hearing at the agency during the final week of the comment period.

The Department initiated a 15-day public comment period for the Annual Performance Report that concluded in late September. During this time, copies of the Report were available to the public upon request. The CAPER text was also published on the agency web site and copies distributed to the 21 planning district commissions. Notices of the availability of this Report and the CDBG PER for public comment were published on September 7, 2006 in the *Roanoke Times and World News*, *Norfolk Virginian Pilot*, *Lynchburg Daily Advance*, the *Potomac News*, the *Bristol Herald-Courier* and the *Richmond Times-Dispatch*.

The Department opened a public hearing to receive comments on the draft plan on September 21, 2006.

APPENDIX B: SUMMARY OF CITIZEN COMMENTS

N/A

APPENDIX C: HOPWA PERFORMANCE SUMMARY

Name of HOPWA Grantee: Commonwealth of Virginia

Report Covers the Period: 7/01/2005 to 6/30/2006

Performance Chart 1—Actual Performance. Types of Housing Units Dedicated to Persons with HIV/AIDS that were Supported during the Operating Year

Type of Unit:	Number of Units with HOPWA funds	Amount of HOPWA Funds	Number of Units with Sub-grantee and other funds*	Amount of Sub-grantee and other funds*	Deductions for units reported in more than one column	TOTAL by type of unit
1. Rental Assistance						
2. Short-term/emergency housing payments						
3-a. Units in facilities supported with operating costs						
3-b. Units in facilities that were developed with capital costs and opened and served clients						
3-c. Units in facilities being developed with capital costs but not yet opened.						
Subtotal						
Deduction for units reported in more than one category						
TOTAL						

- These totals are subject to change as additional data is received.

Name of HOPWA Grantee: Commonwealth of Virginia

Report Covers the Period: 7/01/2005 to 6/30/2006

Performance Chart 2 – Comparison to Planned Actions, as approved in the Action Plan/Consolidated Plan for this Operating Year (Estimated Number of Units)

Type of Unit:	Estimated Number of Units by type in the approved Consolidated Plan/Action Plan for this Operating Year*	Comment, on comparison with actual accomplishments (or attach)
1. Rental Assistance		
2. Short-term/emergency housing payments		
3-a. Units in facilities supported with operating costs		
3-b. Units in facilities that were developed with capital costs and opened and served clients		
3-c. Units in facilities being developed with capital costs but not yet opened.		
Subtotal		
Deduction for units reported in more than one category		
TOTAL		

*Because the State is not administering program benefits directly to eligible individuals or households, the State Consolidated Plan did not establish a predetermined estimate of the number of units to be served by project sponsors within the individual categories. Project sponsors within the various service areas in the balance of state present their proposals for the project year and are selected on the basis of their proposed program.

APPENDIX D

Emergency Shelter Grant Program Information

- 1. Federal Program Year 2004 Emergency Shelter Grants Program Award**
- 2. Federal Program Year 2004 Beds by Type of Facility**

Federal Program Year 2005 Emergency Shelter Grants Program Awards

Project Sponsor	Location	ESG beds	ESG per bed awards	Local Gov't Admin	Total ESG Award
Alexandria, City of Department of Human Services	Alexandria	65	\$31,918	\$1,596	\$33,514
Alexandria, Office on Women/Battered Women's Shelter	Alexandria	14	6,875		6,875
Alive, Inc.	Alexandria	14	6,875		6,875
Arlington-Alexandria Coalition for the Homeless, Inc.	Arlington	65	31,918		31,918
Avalon: A Center for Women and Children	Williamsburg	40	19,642		19,642
Bedford DSS-Domestic Violence Services	Bedford	10	4,911	246	5,156
Carpenter's Shelter	Alexandria	144	70,711		70,711
Choices, Council on Domestic Violence for Page County	Luray	18	8,839		8,839
Citizens Against Family Violence, Inc.	Martinsville	30	14,732		14,732
Clinch Valley Community Action (Family Crisis Services)	Tazewell	32	15,714		15,714
Community Housing Partners, Inc.	Christiansburg/Pulaski	33	16,205		16,205
Community Lodgings	Alexandria	45	22,097		22,097
Community Resource Network of Chesapeake, Inc.	Chesapeake	10	4,911		4,911
Crisis Assistance Response Emergency Shelter, Inc.	Petersburg	20	9,821		9,821
Crossroads Shelter, Inc.	Wytheville	24	11,785		11,785
Culpeper Community Development Corporation	Culpeper	20	9,821		9,821
DOVES, Inc.	Danville	16	7,857		7,857
Eastern Shore Coalition Against Domestic Violence	Onancock	16	7,857		7,857
Family Crisis Support Services, Inc.	Norton	57	27,990		27,990
Family Resource Center	Wytheville	20	9,821		9,821
Fauquier Family Shelter Services, Inc.	Warrenton	148	72,675		72,675
First Step: A Response to Domestic Violence, Inc.	Harrisonburg	16	7,857		7,857
Franklin County Family Resource Center	Rocky Mount	34	16,696		16,696
Friends of the Homeless	Newport News	50	24,553		24,553
Friends of Guest House	Newport News	9	4,419		4,419

Federal Program Year 2005 Emergency Shelter Grants Program Awards

Project Sponsor	Location	ESG beds	ESG per bed awards	Local Gov't Admin	Total ESG Award
Genvieve Shelter	Suffolk	18	8,839		8,839
The Good Shepherd Alliance, Inc.	Sterling	40	19,642		19,642
Greater Orange Community Development Corporation, Inc.	Orange	62	30,445		30,445
Hampton Ecumenical Lodgings and Provisions, Inc.	Hampton	97	47,632		47,632
Hampton-Newport News Community Services Board	Hampton/Newport News	16	7,857		7,857
Hanover Safe Place (Hanover Domestic Violence Task Force)	Hanover	6	2,946		2,946
The Haven Shelter and Services, Inc.	Warsaw	16	7,857		7,857
Hope House of Scott County, Inc.	Gate City	22	10,803		10,803
Hostel of the Good Shepherd	Galax	20	9,821		9,821
Laurel Shelter, Inc.	Gloucester	19	9,330		9,330
LINK (Living Interfaith Network), Inc.	Newport News	50	24,553		24,553
Loudoun Abused Women's Shelter	Leesburg	12	5,893		5,893
Loudoun County Department of Social Services	Loudoun County	24	11,785	589	12,374
Lynchburg Community Action Group, Inc.	Lynchburg	28	13,749		13,749
Lynchburg Daily Bread	Lynchburg	4	1,964		1,964
Menchville House Ministries, Inc.	Newport News	55	27,008		27,008
Mercy House, Inc.	Harrisonburg	48	23,570		23,570
Monticello Area Community Action Agency	Charlottesville	20	9,821		9,821
New Directions Center, Inc.	Staunton	23	11,294		11,294
New River Family Shelter	Christiansburg	26	12,767		12,767
Office of Human Affairs	Newport News	27	13,258		13,258
On Our Own, Charlottesville, VA, Inc.	Charlottesville	10	4,911		4,911
People and Congregations Engaged in Ministry (PACE)	Charlottesville	21	10,312		10,312
People Incorporated of Southwest Virginia	Abingdon	205	100,665		100,665
Project Horizon, Inc.	Lexington	16	7,857		7,857

Federal Program Year 2005 Emergency Shelter Grants Program Awards

Project Sponsor	Location	ESG beds	ESG per bed awards	Local Gov't Admin	Total ESG Award
Rappahannock Council on Domestic Violence	Fredericksburg	23	11,294		11,294
Rappahannock Refuge, Inc./Hope House	Fredericksburg	26	12,767		12,767
Region Ten Community Services Board	Charlottesville	15	7,366		7,366
Response, Inc.	Woodstock	28	13,749		13,749
Safehome Systems, Inc.	Covington	26	12,767		12,767
Salvation Army of Alexandria	Alexandria	10	4,911		4,911
Salvation Army of Charlottesville	Charlottesville	101	49,596		49,596
Salvation Army of Harrisonburg	Harrisonburg	75	36,829		36,829
Salvation Army of Lynchburg	Lynchburg	21	10,312		10,312
Salvation Army of Petersburg	Petersburg	34	16,696		16,696
Salvation Army of Williamsburg	Williamsburg	30	14,732		14,732
Salvation Army of Winchester	Winchester	56	27,499		27,499
Services to Abused Families, Inc.	Culpeper	27	13,258		13,258
Shelter for Abused Women	Winchester	17	8,348		8,348
Shelter for Help in Emergency	Charlottesville	25	12,276		12,276
Shenandoah Alliance for Shelter	Woodstock	22	10,803		10,803
Southside Center for Violence Prevention	Farmville	28	13,749		13,749
St. Joseph's Villa	Henrico County	85	41,739		41,739
Suffolk Shelter for the Homeless	Suffolk	36	17,678		17,678
Thurman Brisben Homeless Shelter, Inc.	Fredericksburg	80	39,284		39,284
Transitions Family Violence Services	Hampton	90	44,195		44,195
Warren County Council on Domestic Violence	Front Royal	47	23,079		23,079
Women's Resource Center of the New River Valley	Radford	54	26,517		26,517
YWCA of Central Virginia	Lynchburg	50	24,553		24,553
YWCA of Richmond	Richmond	20	9,821		9,821

**Federal Program Year 2005 Emergency Shelter
Grants Program Awards**

Project Sponsor	Location	ESG beds	ESG per bed awards	Local Gov't Admin	Total ESG Award
YWCA of the Roanoke Valley	Roanoke	39	19,151		19,151
		2900	\$1,424,045	\$2,431	\$1,426,476

Federal Program Year 2005 Beds by Type of Facility

Project Sponsor	Location of Shelter Facilities	Total Beds-2005	Number of Beds by Type of Facility			
			Emergency	Transitional	Winter	Day
Hope House of Scott County, Inc.	Gate City	22	22	0		
Family Crisis Support Services, Inc.	Norton	57	57	0		
Planning District 1 Total		79	79	0	0	0
Clinch Valley Community Action, Inc.	Tazewell	32	32	0		
Planning District 2 Total		32	32	0	0	0
People Incorporated of Southwest Virginia	Abingdon, Bristol, Grundy	205	36	169		
Hostel of the Good Shepherd	Galax	22	22	0		
Crossroads Shelter, Inc.	Wytheville	24	24	0		
Family Resource Center	Wytheville	20	20	0		
Planning District 3 Total		271	102	169	0	0
New River Family Shelter	Blacksburg & Christiansburg	26	26	0		
Community Housing Partners	Pulaski & Christiansburg	33	0	33		
Women's Resource Center of the New River Valley	Radford	54	26	28		
Planning District 4 Total		113	52	61	0	0
Safehome Systems, Inc.	Covington	26	26	0		
Roanoke Valley Interfaith Hospitality	Roanoke	14	14	0		
Salvation Army – Roanoke	Roanoke	150	125	25		
Trust-Roanoke Valley Trouble Center	Roanoke	24	0	24		
YWCA of the Roanoke Valley	Roanoke	39	31	8		
Planning District 5 Total		253	196	57	0	0
First Step: A Response to Domestic Violence, Inc.	Harrisonburg	16	16	0		
Mercy House, Inc.	Harrisonburg	48	0	48		
Salvation Army – Harrisonburg	Harrisonburg	75	75	0		
Project Horizon, Inc.	Lexington	16	16	0		
New Directions Center, Inc.	Staunton	23	23	0		

Federal Program Year 2005 Beds by Type of Facility

Project Sponsor	Location of Shelter Facilities	Total Beds-2005	Number of Beds by Type of Facility			
			Emergency	Transitional	Winter	Day
Planning District 6 Total		178	130	48	0	0
Warren County Council on Domestic Violence	Front Royal	47	20	27		
Council on Domestic Violence for Page County	Luray	18	18	0		
Salvation Army – Winchester	Winchester	56	42	14		
Shelter for Abused Women	Winchester	17	17	0		
Response, Inc.	Woodstock	28	28	0		
Shenandoah Alliance for Shelter	Woodstock	22	0	22		
Planning District 7 Total		188	125	63	0	0
Alive, Inc.	Alexandria	14	14	0		
Carpenter's Shelter	Alexandria	166	80	16	25	45
City of Alexandria Office of Community Services	Alexandria	65	65	0		
Community Lodgings	Alexandria	45	0	45		
Friends of Guest House	Alexandria	9	0	9		
Office on Women/Battered Women's Shelter (Alexandria)	Alexandria	14	14	0		
Salvation Army – Alexandria	Alexandria	10	0	10		
Arlington County	Arlington	17	0	0	17	
The Arlington Community Temporary Shelter (TACTS)	Arlington	61	27	34		
VOA Chesapeake – Arlington	Arlington	44	44	0		
Arlington-Alexandria Coalition for the Homeless, Inc.	Arlington and Alexandria	183	50	133		
Action in Community Through Service of Prince William, Inc.	Dumfries	74	50	24		
New Hope Housing, Inc	Fairfax County	139	119	20		
Fairfax County Department of Family Services	Fairfax County Reston, Falls Church	90	86	0	4	
Homestretch	Fairfax County, Falls Church, Vienna	279	0	279		

Federal Program Year 2005 Beds by Type of Facility

<i>Project Sponsor</i>	<i>Location of Shelter Facilities</i>	<i>Total Beds-2005</i>	Number of Beds by Type of Facility			
			<i>Emergency</i>	<i>Transitional</i>	<i>Winter</i>	<i>Day</i>
Loudoun Abused Women's Shelter	Leesburg	12	12	0		
The Good Shepherd Alliance, Inc.	Leesburg	40	29	8	3	
Christian Relief Services	Lorton	36	36	0		
Loudoun County Department of Social Services	Loudoun County	24	24	0		
SERVE, Inc.	Manassas	94	60	34		
Prince William County Department of Social Services	Prince William County	14	0	0	14	
Reston Interfaith, Inc.	Reston	74	70	0	4	
Prince William Office of Housing & Comm. Dev.	Woodbridge	35	0	35		
VOA Chesapeake-Hilda Barg Homeless Prevention Center	Woodbridge	30	30	0		
Northern Virginia Family Service	Woodbridge, Dale City, Occoquan	36	0	36		
Planning District 8 Total		1605	810	683	67	45
Culpeper Community Development Corporation	Culpeper	20	10	10		
Services to Abused Families, Inc.	Culpeper	27	15	12		
Greater Orange Community Development Corp, Inc.	Orange	62	49	13		
Fauquier Family Shelter Services, Inc.	Warrenton	148	52	96		
Planning District 9 Total		257	126	131	0	0
Monticello Area Community Action Agency (MACAA)	Charlottesville	20	0	20		
On Our Own, Charlottesville, VA, Inc.	Charlottesville	10	0	0		10
Region Ten Community Services Board	Charlottesville	15	5	10		
Salvation Army – Charlottesville	Charlottesville	101	58	43		
Shelter for Help in Emergency	Charlottesville	25	20	5		
People and Congregations Engaged in Ministry (PACE)	Charlottesville	21	0	0	21	
Planning District 10 Total		192	83	78	21	10

Federal Program Year 2005 Beds by Type of Facility

Project Sponsor	Location of Shelter Facilities	Total Beds-2005	Number of Beds by Type of Facility			
			Emergency	Transitional	Winter	Day
Bedford County Dept. of Social Services-Dom. Violence	Bedford	10	10	0		
Lynchburg Community Action Group, Inc.	Lynchburg	26	26	0		
Lynchburg Daily Bread	Lynchburg	4	0	0		4
Salvation Army – Lynchburg	Lynchburg	21	15	6		
YWCA of Central Virginia	Lynchburg	50	32	18		
Planning District 11 Total		111	83	24	0	4
DOVES, Inc.	Danville	16	16	0		
Citizens Against Family Violence, Inc.	Martinsville	30	30	0		
Franklin County Family Resource Center	Rocky Mount	34	34	0		
Planning District 12 Total		80	80	0	0	0
No Facilities		0	0	0		
Planning District 13 Total		0	0	0	0	0
Southside Center for Violence Prevention	Farmville	28	28	0		
Planning District 14 Total		28	28	0	0	0
Hanover Safe Place	Hanover	6	6	0		
St. Joseph's Villa	Henrico County	85	0	85		
CARITAS	Richmond	158	158	0		
ESI Connections	Richmond	152	54	98		
Freedom House	Richmond	74	20	54		
Salvation Army – Richmond	Richmond	55	55	0		
YWCA of Richmond	Richmond & Chesterfield County	40	40	0		
Planning District 15 Total		570	333	237	0	0
Rappahannock Council on Domestic Violence	Fredericksburg	23	23	0		
Rappahannock Refuge, Inc./Hope House	Fredericksburg	26	0	26		
Thurman Brisben Homeless Shelter, Inc.	Fredericksburg	80	80	0		
Planning District 16 Total		129	103	26	0	0

Federal Program Year 2005 Beds by Type of Facility

Project Sponsor	Location of Shelter Facilities	Total Beds-2005	Number of Beds by Type of Facility			
			Emergency	Transitional	Winter	Day
No Facilities		0	0	0		
Planning District 17 Total		0	0	0	0	0
Laurel Shelter	Gloucester	19	19	0		
The Haven Shelter and Services, Inc.	Warsaw	16	16	0		
Planning District 18 Total		35	35	0	0	0
CARES, Inc.	Petersburg	20	20	0		
Salvation Army – Petersburg	Petersburg	34	26	8		
Planning District 19 Total		68	46	22	0	0
Eastern Shore Coalition Against Domestic Violence	Onancock	16	16	0		
Planning District 22 Total		16	16	0	0	0
Community Resource Network of Chesapeake, Inc.	Chesapeake	10	10	0		
Hampton Ecumenical Lodgings and Provisions, Inc.	Hampton	97	24	22	50	1
Salvation Army-Peninsula Command/Hampton	Hampton	24	24	0		
Transitions Family Violence Services	Hampton	90	51	39		
Friends of the Homeless, Inc.	Newport News	50	50	0		
Hampton-Newport News Community Services Board	Newport News	16	8	8		
LINK of Hampton Roads, Inc.	Newport News	50	0	0	50	
Menchville House Ministries, Inc.	Newport News	55	0	55		
Ecumenical Family Shelter, Inc./The Dwelling Place	Norfolk	52	52	0		
F.O.R. Kids, Inc.	Norfolk	38	38	0		
Salvation Army - Tidewater Command/Norfolk	Norfolk	16	16	0		
YWCA of South Hampton Roads	Norfolk	43	43	0		
Help and Emergency Response, Inc.	Portsmouth	42	42	0		
Portsmouth Area Resources Coalition, Inc. (PARC)	Portsmouth	30	30	0		

Federal Program Year 2005 Beds by Type of Facility

<i>Project Sponsor</i>	<i>Location of Shelter Facilities</i>	<i>Total Beds-2005</i>	Number of Beds by Type of Facility			
			<i>Emergency</i>	<i>Transitional</i>	<i>Winter</i>	<i>Day</i>
Genevieve Shelter	Suffolk	18	18	0		
Suffolk Shelter for the Homeless, Inc.	Suffolk	36	36	0		
Judeo-Christian Outreach Center	Virginia Beach	50	50	0		
Mother Seton House, Inc.	Virginia Beach	22	22	0		
Samaritan House	Virginia Beach	128	72	56		
VA Beach Community Development Corporation	Virginia Beach	15	8	7		
VOA Chesapeake - Virginia Beach	Virginia Beach	39	0	0	39	
Avalon: A Center for Women and Children	Williamsburg	40	19	21		
Salvation Army - Williamsburg	Williamsburg	30	0	30		
Office of Human Affairs	Newport News	27	0	0		27
Portsmouth Christian Outreach	Portsmouth	15	0	15		
Portsmouth Volunteers for the Homeless, Inc.	Portsmouth	33	0	0	33	
Planning District 23 Total		1066	613	253	172	28
Grand Total		5271	3072	1852	260	87

APPENDIX E

**Annual HOME Performance Report—Form HUD-40107
(Minority Business Enterprises and Women Business
Enterprises) and supporting documentation. [See Page 75]**

APPENDIX F

HOME Match Report [See Page 77]

Appendix G CDBG Project Descriptions

2005 Community Improvement Grants

Project Title and Locality	Funding	Project Description
Accomack Manor Housing Production Project ACCOMACK COUNTY	\$ 700,000 VCDBG \$ 1,609,719 State \$ 5,397,562 Private \$ 7,707,281 TOTAL	The project will develop 90 elderly, affordable housing units that will benefit residents in Accomack and Northampton Counties. A total of 76 one-bedroom and 14 two-bedroom units will be housed in a three-story garden style building. A water system sufficient to provide 16,000 gallons per day and which includes a public well and well house, 8,000 gallon storage tank, pressure tanks, booster pumps, water meters and distribution piping, will be constructed. The project will also construct sewage treatment system consisting of 28 1,250-gallon septic tanks with effluent filters, gravity sewer line, pumping station, and 28 Ecoflo Peat Biofilters. A total of 135 low- and moderate- income persons will be served.
Ebenezer Road / Cabell Lane Community Improvement Project AMHERST COUNTY	\$ 1,000,000 VCDBG \$ 322,349 Private \$ 1,322,349 TOTAL	The County will construct a water line extension to a neighborhood that is suffering from longstanding water quality and quantity issues. Approximately 8,200 linear feet of water line and 20 fire hydrants will be installed. The County will also rehabilitate five substandard homes to meet DHCD Housing Quality Standards. A total of 128 persons will be served; 76 are low- and moderate- income.
Southern Neighborhood Improvement Project – Phase 1 BIG STONE GAP, TOWN OF	\$ 1,400,000 VCDBG \$ 1,217,763 Local \$ 2,617,763 TOTAL <i>Multi-year</i>	The Town, in partnership with Wise County, will implement a comprehensive community improvement project in the Southern Neighborhood. Twenty homes will be rehabilitated, including the substantial reconstruction (replacement) of one home. The project will provide for storm drainage improvements through the installation of two culverts and 1,325 linear feet of channel improvements. Water line improvements, to include the installation of 3,800 linear feet of six-inch water line, five fire hydrants, and 1,060 linear feet of three-quarter-inch service line, along with sewer line improvements consisting of the installation of 6,150 linear feet of eight-inch gravity sewer line, 410 linear feet of six-inch sewer line, and 1,600 linear feet of four-inch sewer service line, will be completed. Additional redevelopment activities that include acquisition, relocation, and construction of eight single-family homes for sale to low- to moderate- income homebuyers will be included. A total of 185 persons will be served, of whom 159 are low- and moderate- income.

Project Title and Locality	Funding	Project Description
Hurley Medical Clinic BUCHANAN COUNTY	\$ 646,272 VCDBG <u>\$ 45,000 Private</u> \$ 691,272 TOTAL <i>Letter-of-Intent</i>	The County will replace the Hurley Medical Clinic that was destroyed during severe flooding that occurred on May 2, 2002. The County is designated as a Federal Medically Underserved Area, a Virginia Health Professional Shortage Area, and a Virginia Medically Underserved Area. The project will result in the construction of a new 3,262 square foot medical facility that will offer medical and dental services on a sliding fee scale. A projected 2,500 patients will be treated annually at the facility, of which approximately 82 percent will be low- and moderate- income.
North Main Street Housing Rehabilitation Project CHASE CITY, TOWN OF	\$ 623,590 VCDBG \$ 36,400 Private <u>\$ 3,690 Local</u> \$ 663,680 TOTAL	The Town will provide housing rehabilitation to a total of 19 substandard homes in the North Main Street community. Fifteen homes will be rehabilitated and four homes will be substantially reconstructed (replaced) to meet DHCD Housing Quality Standards. The project will benefit a total of 59 low- and moderate- income persons.
Flatwoods Water Extension COEBURN, TOWN OF	\$ 1,000,000 VCDBG \$ 79,600 Local <u>\$ 213,123 Federal</u> \$ 1,292,723 TOTAL	The Town of Coeburn will construct a public water system for the Flatwoods community, providing a reliable source of water to 79 households, of which 62 (78 percent) are occupied by low- to moderate- income persons. Individual well and spring sources currently serve residents in the area. During dry weather, many of the wells cannot supply enough water to meet the daily needs of the residents, forcing many to haul water from other sources. Water quality of water is also poor. Many wells have very high sulfur and iron levels and show contamination by coliform and fecal coliform bacteria. This project will install 3,755 linear feet of eight-inch water line, 21,480 linear feet of six-inch water line, 7,943 linear feet of three-quarter- inch water line, and construct a 100,000 gallon water storage tank.
Downtown Revitalization Project FLOYD, TOWN OF	\$ 1,000,000 VCDBG \$ 1,525,662 Federal \$ 1,474,000 Private <u>\$ 248,643 Local</u> \$ 4,249,305 TOTAL	This project will help the Town of Floyd in its transition from a light industrial and manufacturing economic base to a more viable, sustainable asset-driven economic based on tourism, music, and arts. The project will result in 18 façade improvements, rehabilitate two blighted, historic properties, renovate an abandoned building into an entrepreneurship center, develop a loan pool to spur small business growth and job creation, drainage improvements, create additional parking, and a Hotel and Conference center that will include a music venue. Approximately 30 new jobs, which will be held by or available to low- to moderate- income individuals, will result from this investment.

Project Title and Locality	Funding	Project Description
Route 100 Water Line Extension Project GILES COUNTY	\$ 1,000,000 VCDBG \$ 1,150,972 Federal \$ 2,150,972 TOTAL	Giles County will complete infrastructure improvements that will provide a safe and reliable source of water to approximately 106 households. A series of wells, some of which are contaminated, and a small, spring-fed water system that does not provide an adequate source of water currently serve the community. The project will install 14,000 linear feet of eight-inch water line, 15,600 linear feet of six-inch water line, 1,700 linear feet of four-inch water line, 49 fire hydrants, and 7,750 linear feet of service line, along with the construction of a 150,000 gallon water storage tank and a water pump station. Of the 106 households to be served 63 (59 percent) are occupied by low- to moderate- income persons.
Booker T. Estates Comprehensive Community Development ISLE OF WIGHT COUNTY	\$ 1,400,000 VCDBG \$ 408,658 State \$ 97,500 Federal \$ 2,870,000 Private \$ 1,092,899 Local \$ 5,869,057 TOTAL <i>Multi-year</i>	The County will complete significant housing, drainage, street, and utility improvements in the Booker T. Estates community. The County will rehabilitate 13 substandard housing units and substantially reconstruct (replace) seven units that are not suitable for rehabilitation. The project will also result in the installation of 3,800 linear feet of six-inch water main, 150 linear feet of eight-inch water main, six fire hydrants, 25 service laterals and water meters, 21 three-quarter- inch service lines, 3,962 linear feet of sanitary sewer line, 960 linear feet of two-inch force main, 14 manholes, 30 sewer service laterals, and 21 four-inch house service lines. Drainage improvements will be made to control standing water and flooding problems and street improvements, to include the installation of 250 linear feet of paving, the provision of turnarounds, and installation four streetlights, will be made. Screening of an adjacent salvage yard will be provided, and new, affordable housing construction that includes 13 single-family housing units targeted for first-time homebuyers will be included in this project. The project will benefit a total of 129 persons, of whom 109 are low- and moderate- income.
Ironbound Elderly Housing Project JAMES CITY COUNTY	\$ 300,000 VCDBG \$ 100,000 State \$ 5,149,600 Federal \$ 224,000 Local \$ 5,773,600 TOTAL	The County will construct 70 units of affordable housing in the Ironbound community. Sixty-seven of the units will consist of rental units for seniors, while three affordably priced homes will be constructed and sold to low- to moderate- income persons. Additional activities includes the installation of 1,200 linear feet of walkways, demolition and removal of a surplus well facility, and storm management improvements to include the construction of a bioretention basin, 1,052 linear feet of storm sewer, a detention basin, and a regional storm water management basin. The project will benefit a total of 84 low- and moderate- income persons.

Project Title and Locality	Funding	Project Description
Greentown / Gaskins Road Improvement Project LANCASTER COUNTY	\$ 1,400,000 VCDBG \$ 958,175 State \$ 60,600 Local \$ 2,418,775 TOTAL <i>Multi-year</i>	The County will complete a comprehensive community development project to enhance the Greentown / Gaskins Road community. A total of 43 homes will be rehabilitated, of which 27 will be substantially reconstructed (replaced). The project will install 29 new wells to address poor water quality issues, provide a public sewer connection to all 43 homes, and make drainage improvements to address flooding and standing water issues. The project will benefit a total of 43 households occupied by low- and moderate- income persons.
Lebanon Housing Rehabilitation Project – Town Wide LEBANON, TOWN OF	\$ 500,000 VCDBG \$ 180,000 Local \$ 680,000 TOTAL	The Town will rehabilitate 15 substandard homes to meet DHCD Housing Quality Standards. This project will eliminate health and safety hazards due to substandard housing conditions and will improve the aesthetic nature of the community through the clean-up and removal of garbage and debris. The project will benefit a total of 38 persons, all of whom are low- and moderate- income.
Central Business District Revitalization Project LURAY, TOWN OF	\$ 782,161 VCDBG \$ 212,979 Private \$ 268,254 Local \$ 1,267,394 TOTAL	The Town of Luray will eliminate physical and economic blighting conditions in the central business district. Through this project, 38 building facades will be improved, three community gateways at main points of entry will be constructed, five upper-story apartments for rent to low- to moderate income individuals will be improved, bridge improvements will be completed, and additional physical improvements will be made. A loan pool for façade improvements and for business start-ups will also be created. Project improvements will serve to eliminate physical blighting influences and revitalize the local economy. A total of five low- to moderate- income households will benefit from housing improvements.
Belfield Road Housing Rehabilitation Project MECKLENBURG COUNTY	\$ 667,781 VCDBG \$ 1,618 Local \$ 669,399 TOTAL	The County will improve the Belfield Road neighborhood through the rehabilitation of 12 houses and the substantial reconstruction (replacement) of six homes. Housing improvements will result in the installation of five new wells and one new septic system. Additionally, two dilapidated, vacant dwellings will be removed from the community. A total of 52 persons will benefit from this project, of whom all are low- and moderate- income.
Pocahontas / Northern Tazewell County regional Sewer System Project POCAHONTAS, TOWN OF	\$ 1,016,480 VCDBG \$ 2,932,456 Federal \$ 90,079 Local \$ 4,039,015 TOTAL	The Town of Pocahontas and Tazewell County will consolidate their respective sewer systems into a single entity that will operate under the Tazewell County Public Service Authority. A 0.5 MGD wastewater treatment plant will be constructed and 2,000 linear feet of eight-inch gravity sewer line and appurtenances, 8,500 linear feet of six-inch sewer force main, and two pump stations will be installed. This project will provide an upgrade in service for 255 households and provide new sewer service to five households. A total of 492 persons will benefit from this project; 380 are low- and moderate- income.

Project Title and Locality	Funding	Project Description
<p>Rocky Mount Uptown Revitalization</p> <p>ROCKY MOUNT, TOWN OF</p>	<p>\$ 666,648 VCDBG \$ 493,150 Federal \$ 140,000 Private \$ 343,250 Local \$ 1,643,048 TOTAL</p> <p><i>Multi-year</i></p>	<p>The Town will revitalize the uptown area through the elimination of physical blight and removal of barriers to economic development. Bringing together public and private partners, the project will create a façade program to improve 20 business fronts in the project area. Additionally, the project will result in the rehabilitation of 10 apartments and one single-family house, creation of 43 new parking spaces, installation of directional signage, installation of 900 linear feet of sidewalks, steps and low walls to create a uptown / downtown connector, the creation of one community gateway, relocation of utilities, installation of 4,000 square yards of sidewalk, installation of 1,000 feet of storm sewer, and creation of a loan pool for businesses in the Uptown area. A total of 16 persons will benefit from this project; 14 are low- and moderate- income.</p>
<p>Richlands Housing Rehabilitation Project – Big Creek Service Area</p> <p>RICHLANDS, TOWN OF</p>	<p>\$ 500,000 VCDBG \$ 59,000 Local \$ 559,000 TOTAL</p>	<p>The Town will undertake housing rehabilitation project to improve substandard living conditions in the Big Creek area. A total of 14 homes will receive rehabilitation assistance, including the substantial reconstruction (replacement) of four homes. New water and sewer lines will be provided for each house, and the Town will clear and remove all debris from the project area. A total of 41 persons will benefit from this project; all are low- and moderate-income.</p>
<p>Natural Tunnel Water Extension</p> <p>SCOTT COUNTY</p> <p>Supervisors</p>	<p>\$ 608,000 VCDBG \$ 1,066,975 State \$ 35,200 Local \$ 1,710,175 TOTAL</p>	<p>The County will provide a public water system for the Natural Tunnel community that currently experiences problems with the quantity and quality of the available water sources. The extension will also provide a reliable source of water to the Natural Tunnel State Park. The project will provide for the installation of 21,400 linear feet of 12-inch water line, 7,855 linear feet of six-inch water line, 400 linear feet of four-inch water line, 1,560 linear feet of two-inch water line, 1,890 linear feet of three-quarter- inch water line, 6,125 linear feet of three-quarter- inch service line, and 24 fire hydrants. A total of 61 households will benefit from this project; approximately 79 percent are low- to moderate- income.</p>
<p>Church Hill Neighborhood Project</p> <p>SOUTH BOSTON, TOWN OF</p>	<p>\$ 1,228,409 VCDBG \$ 1,225,144 Local \$ 2,453,553 TOTAL</p> <p><i>Multi-year</i></p>	<p>The Town will undertake a comprehensive community development project to improve the living conditions in the Church Hill Neighborhood. A total of 20 homes will be rehabilitated to DHCD Housing Quality Standards and four vacant, dilapidated structures will be demolished and cleared. The Town will also install 906 linear feet of sewer, 1,120 linear feet of water line, and six business facades will be improved. The Taylor Building will be demolished and a park will be developed on the site previously occupied by the building. A total of 44 persons will benefit from this project, of whom 38 are low- and moderate- income.</p>

Project Title and Locality	Funding	Project Description
Newtown / West Beverly Neighborhood Improvement Project STAUNTON, CITY OF	\$ 1,400,000 VCDBG \$ 2,526,913 Private \$ 632,321 Local \$ 4,559,234 TOTAL <i>Multi-year</i>	The City will implement a comprehensive community development project in the Newtown / West Beverly neighborhood. The City will rehabilitate 39 housing units to DHCD Housing Quality Standards. An additional 22 housing units will be developed and made available principally to low- to moderate- income persons. The project will also result in the installation of 1,440 linear feet of 42-inch storm drainage, 15 drop inlets, 1,440 linear feet of 15-inch sanitary sewer lines, 25 connectors, 260 linear feet of four-inch water line, fire hydrants, and street improvements. The City will also acquire 11 parcels of land, demolishing and clearing five dilapidated structures. 110 persons will benefit from this project; 100 are low- and moderate- income.
Route 301 Sussex Gardens Improvement Project SUSSEX COUNTY	\$ 1,100,000 VCDBG \$ 26,400 State \$ 318,200 Local \$ 1,444,600 TOTAL <i>Multi-year</i>	The Route 301 Sussex Gardens neighborhood will be improved through the rehabilitation of 20 substandard homes and the substantial reconstruction (replacement) of six homes that are not suitable for rehabilitation. The project will also result in the installation of 5,500 linear feet of eight-inch sanitary sewer main, rehabilitation of a sewer lift station, installation of 24 laterals to provide new sewer service, demolition of three vacant, dilapidated buildings, and the installation of sidewalks and four streetlights. This project will benefit 66 low- and moderate- income persons.
Meadowview Community Services Facility and Health Clinic WASHINGTON COUNTY	\$ 700,000 VCDBG \$ 500,000 State \$ 201,235 Federal \$ 639,199 Private \$ 2,040,434 TOTAL <i>Letter-of-Intent</i>	The County will construct a two-story multi-use facility that will provide a sliding fee health clinic, adult literacy and education programs, and offices for the Migrant Health Network. The sliding fee system will provide quality healthcare, regardless of household income, by basing fees on the patient's ability to pay. The health care facility is projected to serve approximately 521 persons per year; approximately 343 will be low- to moderate- income persons.

Construction Ready Water and Sewer Set-Aside

Project Title and Locality	Funding	Project Description
Rose Hill Sewer Project LEE COUNTY	\$ 500,000 VCDBG \$ 500,000 Local \$ 1,000,000 TOTAL	The Rose Hill Sewer project will allow for sanitary sewer service to be provided to an area where raw sewage currently discharges directly into waterways and streams within the community. This project will allow for the installation of 11,390 linear feet of eight-inch gravity sewer line, 41 manholes, 3,000 linear feet of four-inch service lateral, and related appurtenances. 352 persons will benefit from this project; 89 percent are low- and moderate- income.

Community Economic Development Program

Project Title and Locality	Funding	Project Description
SVC Manufacturing Assistance WYTHE COUNTY	\$ 450,000 VDOT \$ 450,000 Rail & Public Transportation \$ 713,200 Local \$106,000,000 Private \$ 700,000 VCDBG \$108,313,200 TOTAL	<p>Wythe County will complete significant infrastructure improvements in the Progress Park Industrial site to support the location of SVC Manufacturing, a wholly-owned subsidiary of PepsiCo Incorporated. SVC Manufacturing will locate a new mid-Atlantic manufacturing and distribution facility for the production and distribution of the Gatorade brand sports drink. This project will result in the construction of an approximately 900,000 square foot facility and necessary equipment, installation of 600 linear feet of 12-inch water line and related valves and metering equipment, 1,300 linear feet of gravity sewer, 6,000 linear feet of rail spur, and construction of 2,200 linear feet of industrial access road. This project will create 250 new jobs, of which at least 51 percent will be held by or available to low- and moderate- income persons.</p>
Timber Truss Permanent Sewerage Treatment Project ORANGE COUNTY	\$ 8,409,000 Private \$ 583,000 Local \$ 700,000 VCDBG \$ 9,692,000 TOTAL	<p>Orange County will complete infrastructure improvements to support the location of Timber Truss Housing Systems, Incorporated. Timber Truss produces structural components for residential construction, and this plant will be an expansion of their manufacturing operations. This project will result in the construction of an approximately 73,000 square foot manufacturing facility, installation of 11,000 liner feet of four-inch force main pipe, and construction of a pump station. This project will create 75 new jobs, of which at least 51 percent will be held by or available to low- and moderate- income persons.</p>
McGill-Leprechaun Infrastructure Improvements Project SUSSEX COUNTY	\$ 5,000,000 Private \$ 625,000 VCDBG \$ 5,625,000 TOTAL	<p>Sussex County will complete infrastructure improvements to support the location of McGill-Leprechaun, Incorporated, a company that specializes in the recovery and recycling of biodegradable materials. This project will result in the installation of 8,000 liner feet of twelve-inch water line, eight twelve-inch gates, eight fire hydrants, and 2,100 linear feet of two-inch sewer force main. This project will create 25 new jobs, of which at least 51 percent will be held by or available to low- and moderate- income persons.</p>

Local Innovation Project

Project Title and Locality	Funding	Project Description
Virginia Motorsports Tech Center Equipment HENRY COUNTY	\$ 200,000 VCDBG \$ 200,000 TOTAL	Henry County, in partnership with Patrick Henry Community College and Arrington Manufacturing, will construct a motorsports industry incubator and design an advanced motorsports curriculum that will be offered through the facility. Certificate course in Automotive Technology, Motorsports Engines technology, Motorsports Fabrication and Set-up Technology, Motorsports Management, and Business Technology will be offered through this new program. The Virginia Motorsports Tech Center will yield highly trained graduates who possess much sought after skills by the motorsports profession. The program will also serve as a catalyst for recruiting the racing industry to the Henry County area. Fifteen students will be enrolled annually in each segment, and a minimum of seven students will graduate each year. At least half of the students will be low- and moderate- income.
Marine Trades Training Program NORTHUNBERLAND COUNTY	\$ 52,000 Local \$ 71,500 VCDBG \$ 123,500 TOTAL	Northumberland County will partner with the Rappahannock Community College to establish a vocational and technical training program in the marine trades industry. Through the Marines Trades Program, certified courses for a Basic Marine, Diesel, Gasoline, Corrosion, Electrical, Outboard Repair, and Fiberglass Technician program will be developed. Funds will be used to purchase the necessary equipment and curriculum and train a local instructor to deliver the courses. It is expected that at least 60 persons will complete training through this project, of whom at least 60 percent are expected to be low- and moderate- income persons.
Town of Halifax Telecommunication Project HALIFAX, TOWN OF	\$ 97,515 VCDBG \$ 97,515 TOTAL	The Town of Halifax will install a fiber network to target "last mile" connectivity for broadband applications. The Town is currently completing a telecommunications planning project that is assessing technological infrastructure needs and business and community demand, and this network will be designed to tie into the fiber optic backbone that is being installed as part of the Southside Regional Backbone Initiative. This project also supports a larger downtown revitalization project currently underway in the business district area. The project will result in the installation of approximately 3,400 linear feet of fiber optic cable through the downtown area. Once completed, the network will provide high-speed connectivity to the Riverstone Technology Park in addition to other local businesses. Ten new jobs will be created and at least 51 percent will be available to low- and moderate-income persons.

Self-Help Project

Project Title and Locality	Funding	Project Description
Paw Paw Community Water Project BUCHANAN COUNTY	\$ 225,000 VCDBG	Provide 26,600 LF of water line plus pump station, water storage, and service lines under the Self-Help program to serve 42 total households [113 persons] including 36 LMI households [100 persons] in the Paw Paw Community of Buchanan County.
Shute Hollow Community Water Project GILES COUNTY	\$ 310,000 VCDBG	Provide 9,100 LF of water line extensions plus pump station, water storage tank under the Self-Help program to serve 31 total households [78 persons] including 19 LMI households [47 persons] in the Shute Hollow area of Giles County.
Flat Ridge Road Community Water Project SMYTH COUNTY	\$ 70,000 VCDBG	Provide 2,900 LF of water line extensions, service lines and appurtenances under the Self-Help program to serve total 8 total households [25 persons] including 5 LMI households [17 persons] in the Sugar Grove community.

Planning Grant Awards

Locality	Award	Locality	Award
Farmville Town.	\$15,000	South Boston Town.	\$25,000
Appomattox Town.	\$25,000	Accomack County	\$40,000
Blackstone	\$15,000	Montgomery County	\$25,000
Chase City Town	\$15,000	Mt. Jackson Town	\$15,000
Halifax Town	\$15,000	Floyd Town.	\$25,000
South Boston Town	\$15,000	Amherst Co.	\$15,000
South Hill Town	\$15,000	Nelson Co.	\$35,000
Saltville Town	\$35,000	New Market Town	\$17,000
Culpeper Town	\$25,000	Independence Town.	\$35,000
Mecklenburg County	\$10,000	Claremont Town.	\$25,000
Brookneal Town	\$35,000	Buchanan County	\$25,000
Chase City Town	\$14,000	Altavista Town.	\$35,000
Williamsburg City	\$25,000	Fries Town.	\$35,000

Locality	Award	Locality	Award
Stephens City	\$25,000	Louisa Co.	\$21,000
Bedford City	\$35,000	Henry County	\$25,000
Staunton City	\$25,000	Onancock Town	\$25,000
Big Stone Gap Town	\$25,000	Martinsville City	\$25,000
Isle of Wight	\$25,000	Rockbridge County	\$25,000
Franklin City	\$25,000	South Hill Town	\$15,000

Multi-Year Projects

Project Title and Locality	Funding	Project Description
BLACKSTONE TOWN	\$ 422,235 VCDBG	Part II
GREENSVILLE COUNTY	\$ 500,000 VCDBG	Part II
MARION TOWN	\$338,470--VCDBG	Part II
MECKLENBURG COUNTY	\$ 700,000 VCDBG	Part II
NOTTOWAY COUNTY	\$ 475,900 VCDBG	Part II
ROCKY MOUNT TOWN	\$ 500,000 VCDBG	Part II
SOUTH HILL TOWN	\$262,000--VCDBG	Part II

Prior Year (2004) Letter of Intent

Project Title and Locality	Funding	Project Description
Pearisburg Downtown/Housing Revitalization PEARISBURG TOWN	\$ 938,056 VCDBG \$ 255,640 State \$ 449,018 Private <u>\$ 1,804,802 Local</u> \$ 3,417,516 TOTAL <i>Letter-of-Intent</i>	The Town will improve the downtown project area by improving 33 facades, rehabilitating two historic buildings that includes the creation of three new apartments in these buildings, and rehabilitating 19 second-story apartments. The project will also add municipal parking spaces, install 947 cubic yards of sidewalks, 10 decorative lights, 12 pedestrian ramps, and 1,700 feet of buried utility lines, and renovate the Courthouse and County building. The Town will hire a Downtown Coordinator for business development efforts and provide training and assistance to existing businesses. The project will result in the removal of physical blight from the area and, through renovation and construction efforts, provide affordable housing for 36 low- to moderate- income persons.

**Appendix H: CDBG FINANCIAL SUMMARY FOR PROGRAM YEAR 2005
07-01-2005 TO 06-30-2006
VIRGINIA**

Part I: Summary of CDBG resources

1 Unexpended CDBG funds at end of previous program year	0.00
2 Entitlement Grant	21,693,341.00
3 Surplus Urban Renewal	0.00
4 Section 108 Guaranteed Loan Funds	0.00
5 Current Year Program Income	29,213.52
6 Returns	0.00
7 Prior Period Adjustments	0.00
8 Total CDBG funds Available during the period (SUM, LINES 1-7)	21,722,554.52

Part II: Summary of CDBG Expenditures

9 Disbursements Other Than Section 108 Repayments And Planning/Administration	20,906,306.30
10 Adjustment To Compute Total Amount Subject To Low/Mod Benefit	0.00
11 Amount Subject To Low/Mod Benefit (Line 09 + Line 10)	20,906,306.30
12 Disbursed In IDIS For Planning/Administration	2,568,391.54
13 Disbursed In IDIS For Section 108 Repayments	0.00
14 Adjustment To Compute Total Expenditures	0.00
15 Total Expenditures (Sum, Lines 11-14)	23,474,697.84
16 Unexpended Balance (Line 08 - Line 15)	(1,752,143.32)

Part III: Low/Mod Benefit This Reporting Period

17 Expended For Low/Mod Housing In Special Areas	0.00
18 Expended For Low/Mod Multi-Unit Housing	0.00
19 Disbursed For Other Low/Mod Activities	18,462,899.70
20 Adjustment To Compute Total Low/Mod Credit	0.00
21 Total Low/Mod Credit (Sum, Lines 17-20)	18,462,899.70
22 Percent Low/Mod Credit (Line 21/Line 11)	88.31%

Low/Mod Benefit For Multi-Year Certifications

23 Program Years(PY) Covered In Certification	PY PY PY
24 Cumulative Net Expenditures Subject To Low/Mod Benefit Calculation	0.00
25 Cumulative Expenditures Benefiting Low/Mod Persons	0.00
26 Percent Benefit To Low/Mod Persons (Line 25/Line 24	0.00%

Part IV: Public Service (PS) Cap Calculations

27 Disbursed In IDIS For Public Services	908,111.78
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28	Ps Unliquidated Obligations At End Of Current Program Year	0.00
29	Ps Unliquidated Obligations At End Of Previous Program Year	0.00
30	Adjustment To Compute Total PS Obligations	0.00
31	Total PS Obligations (Line 27 + Line 28 - Line 29 + Line 30)	908,111.78
32	Entitlement Grant	21,693,341.00
33	Prior Year Program Income	20,126.01
34	Adjustment To Compute Total Subject To PS Cap	0.00
35	Total Subject To PS Cap (Sum, Lines 32-34)	21,713,467.01
36	Percent Funds Obligated For Ps Activities (Line 31/Line 35)	4.18%

Part V: Planning and Administration (PA) Cap

37	Disbursed In IDIS For Planning/Administration	2,568,391.54
38	Pa Unliquidated Obligations At End Of Current Program Year	0.00
39	Pa Unliquidated Obligations At End Of Previous Program Year	0.00
40	Adjustment To Compute Total Pa Obligations	0.00
41	Total PA Obligations (Line 37 + Line 38 - Line 39 +Line 40)	2,568,391.54
42	Entitlement Grant	21,693,341.00
43	Current Year Program Income	29,213.52
44	Adjustment To Compute Total Subject To PA Cap	0.00
45	Total Subject To PA Cap (Sum, Lines 42-44)	21,722,554.52
46	Percent Funds Obligated For PA Activities (Line 41/Line 45)	11.82%